

103^D CONGRESS
2^D SESSION

S. 2049

To reduce homelessness, reform public housing, expand and preserve affordable housing and homeownership, ensure fair housing for all, empower communities, and for other purposes.

IN THE SENATE OF THE UNITED STATES

APRIL 26 (legislative day, APRIL 11), 1994

Mr. RIEGLE (for himself and Mr. SARBANES) (by request) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

A BILL

To reduce homelessness, reform public housing, expand and preserve affordable housing and homeownership, ensure fair housing for all, empower communities, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 SHORT TITLE AND TABLE OF CONTENTS

4 SECTION 1. (a) SHORT TITLE.—This Act may be
5 cited as the “Housing Choice and Community Investment
6 Act of 1994”.

7 (b) TABLE OF CONTENTS.—

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1 TITLE I—ASSISTANCE FOR THE HOMELESS

2 Subtitle A—Reorganization of the Stewart B. McKinney

3 Homeless Assistance Act

4 SHORT TITLE

5 SEC. 101. This subtitle may be cited as the “Stewart
6 B. McKinney Homeless Housing Assistance Reorganiza-
7 tion Act of 1994”.

8 FINDINGS AND PURPOSES

9 SEC. 102. (a) FINDINGS.—The Congress finds that—
10 (1) more Americans are homeless than at any
11 time since the Great Depression;

12 (2) homeless populations differ in different
13 parts of the country and require different types of
14 systems of varying sophistication to meet the needs
15 of those populations;

16 (3) the best approach for addressing this situa-
17 tion is to focus Federal homeless housing assistance
18 on a “continuum of care”—a seamless process which
19 moves the homeless from the street into a system
20 which provides outreach and assessment, emergency
21 shelter, transitional housing, and permanent hous-
22 ing;

1 (4) the Stewart B. McKinney Homeless Assist-
2 ance Act created emergency programs to solve spe-
3 cific homeless problems as they were identified, and
4 has evolved into an ad hoc approach of separate pro-
5 grams with separate means of distributing assist-
6 ance, separate rules, and separate reporting require-
7 ments, which tax the resources of the Department of
8 Housing and Urban Development, local govern-
9 ments, and not-for-profit homeless providers;

10 (5) the competitive process for distributing as-
11 sistance under these programs—

12 (A) restricts the flexibility of communities
13 to fashion homeless systems that meet the
14 needs of homeless persons in their areas;

15 (B) does not ensure that Federal resources
16 are targeted where the need is;

17 (C) results in unpredictable funding
18 streams which hinder communities' ability to
19 plan, develop, and implement comprehensive
20 “continuum of care” systems to assist homeless
21 individuals and families; and

22 (D) impedes the integration and coordina-
23 tion of the resources—Federal, private, not-for-
24 profit, and local government—available within a
25 community; and

1 (6) the current array of programs does not en-
2 sure that a community will have the tools to create
3 a “continuum of care” to address its homeless
4 needs.

5 (b) PURPOSES.—The purposes of this subtitle are
6 to—

7 (1) reorganize the McKinney Act homeless
8 housing assistance authorities, to assist States and
9 localities to use them more efficiently and effectively
10 through a comprehensive system involving a “contin-
11 uum of care” approach designed to meet the shelter,
12 service, and permanent housing needs of the Na-
13 tion’s homeless individuals and families;

14 (2) simplify and make more flexible the provi-
15 sion of Federal homeless assistance;

16 (3) encourage the cooperation and participation
17 of the States and units of general local government,
18 along with private non-profit organizations, in plan-
19 ning and implementing comprehensive homeless as-
20 sistance programs that are designed to meet the
21 array of service and shelter needs of the homeless
22 population toward the ultimate goal of assisting indi-
23 viduals and families to move to permanent housing
24 and self-sufficiency with supportive services, if nec-
25 essary, as quickly as possible;

1 (4) maximize a community's ability to imple-
2 ment a "continuum of care," by working with local
3 groups and not-for-profit providers;

4 (5) assure private non-profit organizations and
5 community groups that HUD will administer the
6 grant if States or units of general local government
7 are reluctant to participate in the program estab-
8 lished by this subtitle;

9 (6) make more efficient and equitable the man-
10 ner in which the Department of Housing and Urban
11 Development distributes Federal homeless assist-
12 ance, and to reduce the burden on the Department's
13 staff in managing numerous competitions for grants
14 so that its limited staff can focus on providing tech-
15 nical support, analysis, and evaluation to better en-
16 able States, units of general local government, and
17 non-profit providers to use Federal homeless assist-
18 ance;

19 (7) reduce the costs to States, units of general
20 local government, and private non-profit organiza-
21 tions in applying for and using the assistance; and

22 (8) begin the process of moving toward the goal
23 of meeting the needs of most of the Nation's home-
24 less population through the mainstream programs as
25 the Federal resources supporting these programs be-

4 SEC. 103. As used in this subtitle:

7 (2) The term “applicant” means a grantee sub-
8 mitting an application under section 105.

12 (4) The term “grantee” means—

(B) an allocation unit of general local government, Indian tribe, or Insular Area that designates a public agency or a private non-profit organization (or a consortium of such organizations) to administer grant amounts instead of the jurisdiction under section 108(a)(2);

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1 of an allocation unit of general local govern-
2 ment, Indian tribe, or Insular Area;

3 (D) an entity receiving grant amounts
4 from the Secretary under section 108(a)(4);

5 (E) a State administering a grant under
6 section 108(b)(1)(A);

7 (F) a unit of general local government re-
8 ceiving a grant from the Secretary under sec-
9 tion 108(b)(5); and

10 (G) a private non-profit organization re-
11 ceiving a grant from the Secretary under sec-
12 tion 108(b)(4).

13 (5) The term “homeless individual” has the
14 meaning given such term in section 103 of the Act.

15 (6) The term “homeless family” means a group
16 of one or more related individuals who are homeless
17 individuals.

18 (7) The term “Indian tribe” means any Indian
19 tribe, band, group, and nation, including Alaska In-
20 dians, Aleuts, and Eskimos, and any Alaskan Native
21 Village, of the United States, which is considered an
22 eligible recipient under the Indian Self-Determina-
23 tion and Education Assistance Act (Public Law 93-
24 638) or was considered an eligible recipient under

1 chapter 67 of title 31, United States Code, before
2 the repeal of such chapter.

3 (8) The term “Insular Area” means the Virgin
4 Islands, Guam, American Samoa, and the Northern
5 Mariana Islands.

6 (9) The term “metropolitan city” has the mean-
7 ing given the term in section 102(a)(4) of the Hous-
8 ing and Community Development Act of 1974.

9 (10) The term “private non-profit organization”
10 means an organization—

11 (A) no part of the net earnings of which
12 inures to the benefit of any member, founder,
13 contributor, or individual;

14 (B) that has a voluntary board;

15 (C) that has an accounting system, or has
16 designated a fiscal agent in accordance with re-
17 quirements established by the Secretary; and

18 (D) that practices nondiscrimination in the
19 provision of assistance.

20 (11) The term “recipient” means a grantee
21 (other than a State distributing grant amounts to
22 State recipients) and a State recipient.

23 (12) The term “Secretary” means the Secretary
24 of Housing and Urban Development.

1 (13) The term “State” means each of the sev-
2 eral States and the Commonwealth of Puerto Rico.

3 (14) The term “State recipient” means—

4 (A) a unit of general local government
5 within the State (other than an allocation unit
6 of general local government) that receives grant
7 amounts from the State under section
8 108(b)(3); and

9 (B) a private non-profit organization re-
10 ceiving grant amounts from the State under
11 section 108(b)(4).

12 (15) The term “unit of general local govern-
13 ment” means—

14 (A) a city, town, township, county, parish,
15 village, or other general purpose political sub-
16 division of a State;

17 (B) the District of Columbia; and

18 (C) any agency or instrumentality thereof
19 that is established pursuant to legislation and
20 designated by the chief executive to act on be-
21 half of the jurisdiction with regard to provisions
22 of this subtitle.

23 The term includes a consortium of geographically
24 contiguous units of general local government if the
25 Secretary determines that the consortium—

1 (i) has sufficient authority and administra-
 2 tive capability to carry out the purposes of this
 3 subtitle on behalf of its member jurisdictions;
 4 and

5 (ii) will, according to a written certification
 6 by the State (or States, if the consortium in-
 7 cludes jurisdictions in more than one State), di-
 8 rect its activities to alleviation of problems of
 9 homeless individuals or families within the
 10 State or States.

11 (16) The term “urban county” has the meaning
 12 given the term in section 102(a)(6) of the Housing
 13 and Community Development Act of 1974

14 AUTHORIZATIONS

15 SEC. 104. (a) IN GENERAL.—The Secretary is au-
 16 thorized to make grants, in accordance with the provisions
 17 of this subtitle, to grantees to carry out activities to assist
 18 homeless individuals and families in support of com-
 19 prehensive homeless assistance systems.

20 (b) FUNDING AMOUNTS.—For purposes of this sub-
 21 title, there are authorized to be appropriated
 22 \$1,020,000,000 for fiscal year 1995, and such sums as
 23 may be necessary for each of fiscal years 1996 and 1997.
 24 Any amounts appropriated shall remain available until ex-
 25 pended.

26 (c) AWARDING OF GRANTS.—

1 (1) IN GENERAL.—Except as provided in para-
2 graph (2), the Secretary shall distribute amounts ap-
3 propriated under subsection (b) to grantees under
4 this subtitle.

5 (2) INSUFFICIENT APPROPRIATIONS.—

6 (A) If the amounts appropriated under
7 subsection (b) for any fiscal year are less than
8 50 percent of the amount authorized to be ap-
9 propriated under that subsection for that year,
10 the Secretary shall distribute the amounts ap-
11 propriated to States, units of general local gov-
12 ernment, Indian tribes, Insular Areas, and pri-
13 vate non-profit organizations on the basis of a
14 competition.

15 (B) Grants under this paragraph shall be
16 subject to the provisions of this subtitle, except
17 such provisions as the Secretary determines are
18 inconsistent with the purposes of this para-
19 graph. The Secretary shall establish such addi-
20 tional or alternative requirements for grants
21 under this paragraph as the Secretary deems
22 appropriate, which shall include requirements
23 for applying for, and criteria for awarding, such
24 grants.

1 (C) The criteria for awarding grants re-
2 ferred to in subparagraph (B) shall include—

3 (i) the extent to which there is a need
4 for assistance for homeless individuals and
5 families in the jurisdiction;

6 (ii) the extent to which the proposed
7 activities further the establishment and
8 maintenance of the comprehensive home-
9 less assistance system referred to in sec-
10 tion 105(b)(1)(C);

11 (iii) the extent to which private non-
12 profit organizations providing assistance to
13 homeless individuals and families in the ju-
14 risdiction have been, and will be, included
15 in planning for the receipt of assistance
16 under this subtitle, the development of the
17 application under section 105, and the exe-
18 cution of the proposed activities;

19 (iv) the extent to which homeless indi-
20 viduals and families will proceed with ap-
21 propriate expedition through the com-
22 prehensive homeless assistance system and
23 into permanent housing; and

24 (v) such other criteria as the Sec-
25 retary deems appropriate to further the

1 purposes of this paragraph and this sub-
2 title.

3 (D) The Secretary is authorized to set
4 aside such amounts as the Secretary deems ap-
5 propriate for grants under this paragraph for
6 Indian tribes and Insular Areas.

7 APPLICATION

8 SEC. 105. (a) IN GENERAL.—Each applicant shall
9 submit an application in such form and in accordance with
10 such procedures as the Secretary shall establish.

11 (b) MINIMUM REQUIREMENTS.—An application
12 under this section shall at a minimum—

13 (1) on the basis of information provided in the
14 current comprehensive affordable housing strategy
15 for the appropriate jurisdiction under section 105 of
16 the Cranston-Gonzalez National Affordable Housing
17 Act, or such other plan as the Secretary may pre-
18 scribe, set forth for the jurisdiction—

19 (A) a detailed description of the current
20 population of homeless individuals and families;

21 (B) the current facilities and services de-
22 signed to assist that population; and

23 (C) the comprehensive homeless assistance
24 system to be established and maintained within
25 the jurisdiction (a “continuum of care”), which
26 shall include at a minimum—

1 (i) a system of outreach and assess-
2 ment for—

3 (I) determining whether an indi-
4 vidual or family is homeless, needs as-
5 sistance to avoid becoming homeless,
6 or needs other assistance; and

7 (II) ensuring that individuals and
8 families that are so identified receive
9 appropriate housing and supportive
10 services (which may include services
11 with respect to health, mental health,
12 substance abuse, family support, edu-
13 cation, and child care, and services di-
14 rected toward obtaining appropriate
15 income support, including employment
16 training);

17 (ii) the availability of emergency shel-
18 ters with appropriate supportive services to
19 ensure that homeless individuals and fami-
20 lies for which such housing is appropriate
21 receive adequate shelter, including during
22 the period in which the assessment re-
23 ferred to in clause (i) is being performed;

24 (iii) the availability of transitional
25 housing with appropriate supportive serv-

1 ices to ensure that homeless individuals
2 and families for which such housing is ap-
3 propriate are prepared for increased re-
4 sponsibility and permanent housing, or
5 permanent supportive housing, after the
6 transition period;

7 (iv) the availability of permanent
8 housing, or permanent supportive housing,
9 adequate to meet the long-term housing
10 needs of all homeless individuals and fami-
11 lies; and

12 (v) linkages between assistance pro-
13 vided under this subtitle and assistance
14 provided under other Federal, State, and
15 local programs that may be used to assist
16 homeless individuals and families, such
17 as—

18 (I) assistance under the Public
19 and Indian Housing and section 8
20 Programs under the United States
21 Housing Act of 1937, the Home In-
22 vestment Partnerships Act, and the
23 Community Development Block Grant
24 Program under title I of the Housing

1 and Community Development Act of
2 1974;

3 (II) programs administered by
4 the Secretary of Labor;

5 (III) health, social service, and
6 income support services;

7 (IV) programs designed to assist
8 homeless veterans;

9 (V) adult education, employment
10 training, and education for homeless
11 children and youth; and

12 (VI) national service;

13 (2) provide an assessment of what is required
14 to establish and maintain the comprehensive system
15 referred to in paragraph (1)(C);

16 (3) set forth a multi-year strategy for establish-
17 ing and maintaining the system, including appro-
18 priate timetables, milestones, and budget estimates
19 for accomplishing each element of the strategy;

20 (4) set forth a 1-year action plan, identifying all
21 activities to be carried out with assistance under this
22 subtitle and demonstrating how these activities will
23 further the strategy referred to in paragraph (3);

24 (5) describe the means the applicant (other
25 than a State distributing grant amounts to State re-

1 cipients under section 108(b)(2)) will use to distrib-
2 ute grant amounts to subgrantees, including whether
3 such amounts will be awarded on a competitive or
4 non-competitive basis;

5 (6) demonstrate that the local board referred to
6 in section 109(b) has signed the application;

7 (7) contain certifications or other such forms of
8 proof of commitments of financial and other re-
9 sources from each public agency or private non-prof-
10 it organization that has a role in establishing and
11 maintaining the comprehensive homeless assistance
12 system;

13 (8) contain assurances satisfactory to the Sec-
14 retary that activities carried out under section 106
15 will meet the requirements of the Act, as provide in
16 section 106(b);

17 (9) in the case of States distributing grant
18 amounts to State recipients, describe the method of
19 distribution;

20 (10) except for grant amounts that States will
21 distribute to State recipients, contain a certification
22 from the public official responsible for submitting
23 the comprehensive housing affordability strategy
24 under section 105 of the Cranston-Gonzalez Na-
25 tional Affordable Housing Act for the State or unit

1 of general local government within which the project
 2 is located that the proposed project is consistent
 3 with the approved housing strategy of such State or
 4 unit of general local government;

5 (11) contain a certification that the applicant
 6 will comply with the requirements of the Fair Hous-
 7 ing Act, title VI of the Civil Rights Act of 1964, sec-
 8 tion 504 of the Rehabilitation Act of 1973, and the
 9 Age Discrimination Act of 1975, and will affirma-
 10 tively further fair housing; and

11 (12) contain a certification that the applicant
 12 will comply with the requirements of this subtitle
 13 and other applicable laws.

14 ELIGIBLE ACTIVITIES

15 SEC. 106. (a) IN GENERAL.—Recipients may only
 16 carry out the following activities with grant amounts
 17 under this subtitle:

18 (1) Activities eligible for assistance under the
 19 following provisions of the Act:

20 (A) Emergency shelters under subtitle B of
 21 title IV.

22 (B) Transitional housing under subtitle C
 23 of title IV.

24 (C) Safe havens under subtitle D of title
 25 IV.

1 (D) Single room occupancy dwellings
2 under section 441.

3 (E) Shelter plus care under subtitle F of
4 title IV.

5 (F) Rural homeless housing assistance
6 under subtitle G of title IV.

7 (2) Permanent housing meeting such require-
8 ments as the Secretary shall prescribe.

9 (3)(A) For the first year in which a recipient
10 receives grant amounts under this subtitle, adminis-
11 trative expenses in connection with planning the de-
12 velopment of, and establishing, its program under
13 this subtitle.

14 (B) In subsequent years, defraying the cost of
15 administering the program.

16 (C) In all years, defraying the cost of constitut-
17 ing and operating the local board referred to in sec-
18 tion 109(b).

19 Except that not more than 5 percent of any amounts
20 provided to a recipient under this subtitle for a fiscal
21 year may be used for activities under this para-
22 graph.

23 (4) Building the capacity of private non-profit
24 organizations to participate in the comprehensive
25 homeless assistance system of the recipient, except

1 that not more than 2 percent of any amounts pro-
2 vided to a recipient under this subtitle for a fiscal
3 year may be used for activities under this para-
4 graph.

5 (b) PROGRAM REQUIREMENTS.—Activities assisted
6 under this subtitle shall comply with all applicable require-
7 ments of the Act, except those that the Secretary deter-
8 mines are inconsistent with the provisions or purposes of
9 this subtitle.

10 (c) MATCHING FUNDING.—

11 (1) IN GENERAL.—Each recipient shall ensure
12 that contributions totaling not less than 25 percent
13 of the grant amounts made available to the recipient
14 for any fiscal year under this subtitle shall be pro-
15 vided from non-Federal sources, as defined by the
16 Secretary, to carry out the homeless assistance pro-
17 gram of the recipient. Each recipient shall certify to
18 the Secretary that it has complied with this section,
19 and shall include with the certification a description
20 of the sources and amounts of the matching funds.

21 (2) WAIVERS.—A recipient may request that
22 the Secretary reduce or waive the matching require-
23 ment of paragraph (2). The request shall be in a
24 form and manner prescribed by the Secretary, and
25 shall demonstrate that the recipient lacks the fi-

1 nances and other resources to meet the requirement.

2 The Secretary may grant the request, if the Sec-
3 retary determines that imposition of the match—

4 (A) would create a significant hardship for
5 the recipient; and

6 (B) would thwart the overall purpose of
7 the homeless assistance program of the recipi-
8 ent.

9 (3) CALCULATION OF AMOUNTS.—In calculat-
10 ing the amount of matching funds required under
11 paragraph (1), a recipient may include—

12 (A) any funds derived from a non-Federal
13 source;

14 (B) the value of any lease on a building;

15 (C) any salary paid to staff to carry out
16 the program of the recipient;

17 (D) the value of the time and services con-
18 tributed by volunteers, at a rate determined by
19 the Secretary; and

20 (E) the proceeds from bond financing val-
21 idly issued by a State or local government,
22 agency, or instrumentality thereof, or political
23 subdivision thereof, and repayable with revenues
24 derived from a project assisted under this sub-
25 title, but not more than 25 percent of the con-

1 tribution required under paragraph (1) may be
2 derived from this source.

3 (d) LIMITATION ON USE OF FUNDS.—No assistance
4 received under this subtitle (or any State or local govern-
5 ment funds used to supplement such assistance) may be
6 used to replace other funds previously used, or designated
7 for use, by the State, unit of general local government,
8 Indian tribe, or Insular Area to assist homeless individuals
9 and families.

10 (e) NON-PROFIT HOMELESS PROVIDERS.—Each re-
11 ipient shall make available at least 51 percent of the
12 grant amounts it receives for any fiscal year to private
13 non-profit organizations that provide assistance to home-
14 less individuals and families to carry out activities under
15 this subtitle. Such organizations shall meet such minimum
16 standards as the Secretary deems appropriate.

17 (f) ADMINISTRATIVE EXPENSES FOR CERTAIN ENTI-
18 TIES.—An allocation unit of general local government, In-
19 dian tribe, or Insular Area, or a State recipient, that des-
20 ignates a public agency or a private non-profit organiza-
21 tion (as provided by sections 108 (a)(2) and
22 (b)(3)(A)(i)(II), respectively), or a State recipient that en-
23 ters into an agreement with a State (as provided by sec-
24 tion 108(b)(3)(A)(i)(III)), shall make available, to defray
25 the administrative expenses of the designee or the State,

1 such sums as the Secretary deems appropriate from
2 amounts eligible for this purpose under subsection (a)(2).

3 ALLOCATION AND DISTRIBUTION OF FUNDS

4 SEC. 107. (a) INSULAR AREAS.—For each fiscal year,
5 the Secretary shall allocate assistance under this subtitle
6 to Insular Areas in accordance with an allocation formula
7 established by the Secretary.

8 (b) STATES AND ALLOCATION UNITS OF GENERAL
9 LOCAL GOVERNMENT.—

10 (1) FORMULA ALLOCATION.—

11 (A) For each fiscal year, of the amounts
12 that remain after amounts are reserved for In-
13 sular Areas under subsection (a), the Secretary
14 shall allocate assistance according to the for-
15 mula described in subparagraph (B) or such
16 other formula as may hereafter be enacted into
17 law.

18 (B)(i) The Secretary shall allocate
19 amounts for allocation units of general local
20 government and States, and for Indian tribes,
21 in a manner that ensures that the percentage of
22 the total amount available under this subtitle
23 for any fiscal year that is allocated for any
24 State or allocation unit of general local govern-
25 ment, or for Indian tribes, is equal to the per-
26 centage of the total amount available for section

1 106 of the Housing and Community Develop-
2 ment Act of 1974 for such prior fiscal year that
3 is allocated for such State or allocation unit of
4 general local government, or for Indian tribes.

5 (ii) If under the allocation provisions appli-
6 cable under this subtitle, any allocation unit of
7 general local government would receive a grant
8 of less than 0.05 percent of the amounts appro-
9 priated to carry out this subtitle for any fiscal
10 year, such amount shall instead be reallocated
11 to the State for use under section 108(b), ex-
12 cept that any city that is located in the State
13 that does not have counties as local govern-
14 ments; that has a population greater than
15 40,000, but less than 50,000, as used in deter-
16 mining the fiscal year 1987 Community Devel-
17 opment Block Grant Program allocation; and
18 that was allocated in excess of \$1,000,000 in
19 community development block grant funds in
20 fiscal year 1987 shall receive directly the
21 amount located to such city under subsection
22 (a).

23 (iii)(I) All amounts allocated pursuant to
24 the preceding clauses for units of general local
25 government shall be increased on a pro rata

1 basis until the aggregate of such amounts
2 equals 75 percent of the amounts appropriated
3 under this subtitle for each year.

4 (II) All amounts allocated pursuant to the
5 preceding clauses for States shall be decreased
6 on a pro rata basis until the aggregate of such
7 amounts equals 25 percent of the amounts ap-
8 propriated under this subtitle for each year.

9 (2) DETERMINATION OF GRANT AMOUNT FOR
10 STATES AND ALLOCATION UNITS OF GENERAL
11 LOCAL GOVERNMENT.—The formula amount deter-
12 mined for an allocation unit of general local govern-
13 ment or a State, under paragraph (1) shall be the
14 maximum amount that the jurisdiction is eligible to
15 receive. The Secretary may provide a grant for a
16 State or for an allocation unit of general local gov-
17 ernment for an amount less than the formula
18 amount, if the Secretary determines that such action
19 is appropriate based upon review of the application
20 under section 105 or as a result of the annual per-
21 formance review and audit under section 110.

22 (c) REALLOCATIONS.—Any amounts that a State or
23 an allocation unit of general local government is eligible
24 to receive under subsection (b) that are not received for
25 use in the jurisdiction, as provided by section 108 (a) and

1 (b), or that become available as a result of actions under
 2 section 110(b), shall be added to amounts available for
 3 allocation under section 107 for the succeeding fiscal year.

4 ADMINISTRATION OF PROGRAM

5 SEC. 108. (a) ALLOCATION UNITS OF GENERAL
 6 LOCAL GOVERNMENT, INDIAN TRIBES, AND INSULAR
 7 AREAS.—

8 (1) IN GENERAL.—Except as provided in para-
 9 graphs (2), (3), and (4), an allocation unit of gen-
 10 eral local government, Indian tribe, or Insular Area
 11 shall administer grant amounts received under sec-
 12 tion 107 for any fiscal year.

13 (2) AGENCIES AND ORGANIZATIONS DES-
 14 IGNATED BY JURISDICTION.—

15 (A) An allocation unit of general local gov-
 16 ernment, Indian tribe, or Insular Area may
 17 elect for any fiscal year to designate a public
 18 agency or a private non-profit organization (or
 19 a consortium of such organizations) to admin-
 20 ister grant amounts under section 107 instead
 21 of the jurisdiction.

22 (B) The Secretary shall prescribe the man-
 23 ner and time for making an election under sub-
 24 paragraph (A), and shall establish criteria for
 25 the approval of agencies and organizations,
 26 which shall include demonstrated experience of

1 the entity in providing assistance to homeless
2 individuals and families in the jurisdiction.

3 (C) The allocation unit of general local
4 government, Indian tribe, or Insular Area shall
5 remain both the grantee and the recipient for
6 purposes of this subtitle. The Secretary may, at
7 the request of the jurisdiction, provide grant
8 amounts directly to the agency or organization
9 designated under this paragraph.

10 (3) AGENCIES AND ORGANIZATIONS DES-
11 IGNATED BY HUD.—If an allocation unit of general
12 local government, Indian tribe, or Insular Area, or
13 (if appropriate) a public agency or private non-profit
14 organization designated by the jurisdiction under
15 paragraph (2), does not receive a grant under sec-
16 tion 107 for any fiscal year because of failure to
17 meet the application requirements of section 105,
18 the Secretary is authorized to designate an agency
19 or organization meeting the approval criteria re-
20 ferred to in paragraph (2). Any agency or organiza-
21 tion so designated shall be both the grantee and re-
22 cipient for purposes of this subtitle.

23 (4) ADMINISTRATION OF GRANT BY HUD.—If
24 for any fiscal year the Secretary determines that
25 amounts allocated for an allocation unit of general

1 local government, Indian tribe, or Insular Area will
2 not be used in the jurisdiction, as provided by the
3 preceding provisions of this subsection, the Secretary
4 is authorized to administer such amounts instead of
5 the jurisdiction. The Secretary shall prescribe such
6 procedures and requirements as the Secretary deems
7 appropriate for administering grant amounts under
8 this paragraph.

9 (b) STATES.—

10 (1) IN GENERAL.—States shall elect—

11 (A) to administer grant amounts received
12 under section 107, as provided by paragraphs
13 (2) and (3); or

14 (B) to have the Secretary administer these
15 amounts instead of the State, as provided by
16 paragraph (5).

17 If a State elects to administer grant amounts under
18 subparagraph (A), the election shall be permanent
19 and final.

20 (2) STATE PROGRAM.—Of amounts referred to
21 in paragraph (1)(A), the State—

22 (A) may use up to 15 percent of carry out
23 its own homeless assistance program under this
24 subtitle, except that these amounts may only be
25 used for eligible activities under section

1 106(a)(1) for which States are eligible recipi-
2 ents under the Act; and

3 (B) shall distribute the remaining amounts
4 to State recipients for use under this subtitle.
5 Grants to States may only be used to carry out
6 activities in areas of the State outside allocation
7 units of general local government.

8 (3) DISTRIBUTION OF AMOUNTS TO STATE RE-
9 CIPIENTS.—

10 (A)(i) A State distributing amounts to
11 State recipients under paragraph (1)(A) shall,
12 for each fiscal year, afford each such recipient
13 the options of—

14 (I) administering the grant amounts
15 on its own behalf;

16 (II) designating a public agency or a
17 private non-profit organization (as pro-
18 vided by subsection (a)(2)) to administer
19 the grant amounts instead of the jurisdic-
20 tion; or

21 (III) entering into an agreement with
22 the State, in consultation with private non-
23 profit organizations providing assistance to
24 homeless individuals and families in the ju-
25 risdiction, under which the State will ad-

1 minister the grant amounts instead of the
2 jurisdiction.

3 These options shall be exercised at such time
4 and in accordance with such criteria as the Sec-
5 retary may prescribe.

6 (ii) A State recipient designating an agen-
7 cy or organization as provided by clause (i)(II),
8 or entering into an agreement with the State
9 under clause (i)(III), shall remain the recipient
10 for purposes of this subtitle. The State may, at
11 the request of the State recipient, provide grant
12 amounts directly to the agency or organization
13 designated under clause (i)(II).

14 (B) The State shall distribute amounts to
15 State recipients (or to agencies or organizations
16 designated under subparagraph (A)(i)(II), as
17 appropriate) on the basis of an application con-
18 taining such information as the Secretary may
19 prescribe. Each application shall evidence an in-
20 tent to establish a comprehensive homeless as-
21 sistance system, except that the State may
22 waive this requirement with respect to one or
23 more proposed activities, where the State deter-
24 mines that—

1 (i) the activities are necessary to meet
2 the needs of homeless individuals and fam-
3 ilies within the jurisdiction; and

4 (ii) a comprehensive homeless assist-
5 ance system is not necessary, due to the
6 nature and extent of homelessness in the
7 jurisdiction.

8 (C) In selecting State recipients and mak-
9 ing awards under subparagraph (B), the State
10 shall give preference to applications (in accord-
11 ance with criteria prescribed by the Secretary)
12 that demonstrate higher relative levels of home-
13 less need and fiscal distress.

14 (D) Each State distributing grant amounts
15 to State recipients under paragraph (2)(B) may
16 retain not to exceed 5 percent of the amount to
17 be used for this purpose to defray the cost of
18 carrying out its responsibilities under this sub-
19 title.

20 (4) STATE OR HUD ADMINISTRATION OF
21 GRANTS FOR INDIVIDUAL STATE RECIPIENTS.—If in
22 any fiscal year a State distributes grant amounts to
23 a State recipient, but the recipient fails to receive
24 the amounts pursuant to paragraph (3)(A)(i), the
25 Secretary or the State, as the Secretary may pro-

1 vide, may distribute the amounts to private non-
 2 profit organizations in the jurisdiction. If the Sec-
 3 retary distributes the amounts, the Secretary shall
 4 deduct the amounts distributed from the grant pro-
 5 vided to the State for that fiscal year.

6 (5) HUD ADMINISTRATION OF STATE PRO-
 7 GRAM.—If a State elects to have the Secretary ad-
 8 minister its grant amounts under section 107, as
 9 provided by paragraph (1), the Secretary is author-
 10 ized to distribute grant amounts to State recipients
 11 instead of the State, in accordance with require-
 12 ments and procedures prescribed by the Secretary.
 13 The Secretary shall establish criteria for selecting
 14 recipients and making awards under this paragraph,
 15 which shall include giving preference to applications
 16 that demonstrate higher relative levels of homeless
 17 need and fiscal distress.

18 CITIZEN PARTICIPATION

19 SEC. 109. (a) IN GENERAL.—Each recipient shall en-
 20 sure that citizens, and appropriate private nonprofit orga-
 21 nizations and other interested groups and entities, partici-
 22 pate fully in the development and carrying out of the pro-
 23 gram authorized under this subtitle. The Secretary shall
 24 prescribe such requirements to carry out this section as
 25 the Secretary deems appropriate, which shall include re-
 26 quirements applicable to the local boards referred to in

1 subsection (b) and the citizen participation provisions of
2 subsection (c), and the timing of, and sequence for, carry-
3 ing out the requirements of those subsections.

4 (b) LOCAL BOARDS.—

5 (1) ESTABLISHMENT AND FUNCTION.—Each
6 recipient shall establish and support a local board,
7 which shall assist the recipient in—

8 (A) determining whether the grant should
9 be administered by the recipient, a public agen-
10 cy or private non-profit organization, or the
11 State or the Secretary, as appropriate, under
12 sections 108 (a) and (b);

13 (B) developing the application under sec-
14 tion 105;

15 (C) overseeing the activities carried out
16 with assistance under this subtitle; and

17 (D) evaluating the performance of the re-
18 cipient in carrying out these activities.

19 (2) COMPOSITION OF BOARD.—The local board
20 shall consist of—

21 (A) at least one member representing each
22 of the following groups—

23 (i) homeless individuals and families;

24 (ii) homeless advocates;

1 (iii) individuals and entities providing
2 assistance to homeless individuals and
3 families;

4 (iv) the business community; and

5 (v) neighborhood advocates;

6 (B) in the case of a recipient that is a
7 State, one member representing the State agen-
8 cy or instrumentality dealing with mental
9 health;

10 (C) not more than one member represent-
11 ing the recipient; and

12 (D) such other individuals and entities as
13 the Secretary shall prescribe.

14 (3) DISTRIBUTION OF MEMBERSHIP.—At least
15 51 percent of the membership of the board shall
16 have been nominated by individuals and entities
17 other than a governmental jurisdiction.

18 (4) BOARD SIGN-OFF.—

19 (A) No applicant may submit an applica-
20 tion to the Secretary under section 105, and no
21 grantee may submit to the Secretary a perform-
22 ance report under subsection 110(a), unless the
23 board signs the document.

24 (B) No state recipient may submit an ap-
25 plication under section 108(b)(3) or a perform-

1 ance report to a State, unless the board signs
2 the document.

3 (5) REVIEW BY SECRETARY.—If the board or
4 other members of the community believe that the
5 process for constituting or operating the board is
6 unfair, they may ask the Secretary to review the
7 matter. The Secretary shall attempt to resolve the
8 problem and where the Secretary finds that the
9 process is unfair, the Secretary may disapprove an
10 application under section 105 or refuse to accept a
11 performance report under section 110(a).

12 (6) CONFLICTS OF INTEREST.—The Secretary
13 shall prescribe standards governing potential con-
14 flicts of interest under which members of local
15 boards may participate in activities carried out
16 under this subtitle.

17 (c) INVOLVEMENT OF CITIZENS AND OTHERS.—

18 (1) IN GENERAL.—Each recipient shall—

19 (A) make available to its citizens, public
20 agencies, and other interested parties informa-
21 tion concerning the amount of assistance the ju-
22 risdiction expects to receive and the range of
23 activities that may be undertaken with the as-
24 sistance;

1 (B) publish the proposed application in a
2 manner that, in the determination of the Sec-
3 retary, affords affected citizens, public agencies,
4 and other interested parties a reasonable oppor-
5 tunity to examine its content and to submit
6 comments on it;

7 (C) hold one or more public hearings to ob-
8 tain the views of citizens, public agencies, and
9 other interested parties on the housing needs of
10 the jurisdiction; and

11 (D) provide citizens, public agencies, and
12 other interested parties with reasonable access
13 to records regarding any uses of any assistance
14 the recipient may have received during the pre-
15 ceding 5 years.

16 (2) NOTICE AND COMMENT.—Before submitting
17 any performance report under section 110(a) or sub-
18 stantial amendment to an application under section
19 105, a recipient shall provide citizens with reason-
20 able notice of, and opportunity to comment on, such
21 performance report or application before its submis-
22 sion.

23 (3) CONSIDERATION OF COMMENTS.—A recipi-
24 ent shall consider any comments or views of citizens
25 in preparing a final application, amendment to an

1 application or performance report for submission. A
2 summary of such comments or views shall be at-
3 tached when an application, amendment to an appli-
4 cation, or performance report is submitted. The sub-
5 mitted application, amendment, or report shall be
6 made available to the public.

7 (4) AUTHORITY OF SECRETARY.—The Sec-
8 retary shall establish procedures appropriate and
9 practicable for providing a fair hearing and timely
10 resolution of citizen complaints related to applica-
11 tions or performance reports under this subtitle.

12 (d) REQUIREMENTS FOR THE SECRETARY AND
13 STATES DISTRIBUTING AMOUNTS TO STATE RECIPI-
14 ENTS.—

15 (1) IN GENERAL.—The Secretary may prescribe
16 citizen participation requirements comparable (to the
17 extent appropriate) to those contained in the preced-
18 ing provisions of this section where—

19 (A) a State is distributing grant amounts
20 to State recipients, as provided by sections
21 108(b)(2);

22 (B) the Secretary is administering the
23 grant amounts of an allocation unit of general
24 local government, as provided by section
25 108(a)(4); and

1 (C) the Secretary is distributing grant
2 amounts to recipients, as provided by section
3 108(b)(3), (4), or (5).

4 (2) LAWS INAPPLICABLE.—The following provi-
5 sions of law shall not apply with respect to the ac-
6 tions of the Secretary referred to in paragraph (1)—

7 (A) the Federal Advisory Committee Act;
8 and

9 (B) section 103 of the Department of
10 Housing and Urban Development Reform Act
11 of 1989.

12 The Secretary shall establish appropriate standards
13 under this paragraph to ensure the integrity of the
14 process for awarding assistance.

15 REPORTS, REVIEWS, AND AUDITS

16 SEC. 110. (a) GRANTEE PERFORMANCE REPORT.—
17 Each grantee shall submit to the Secretary a performance
18 and evaluation report concerning the use of funds made
19 available under this subtitle. The report shall be submitted
20 at such time and contain such information as the Sec-
21 retary shall prescribe, and shall be made available to the
22 local boards referred to in section 109(b) and to citizens,
23 public agencies, and other interested parties in the juris-
24 diction of the grantee in sufficient time to permit the
25 board and the citizens, public agencies, and other inter-
26 ested parties to comment on the report before its submis-

1 sion. Each grantee performance report shall be signed by
2 the local board.

3 (b) REVIEWS AND AUDITS.—The Secretary shall, at
4 least on an annual basis, make such reviews and audits
5 as may be necessary or appropriate to determine—

6 (1) in the case of a grantee (other than a
7 grantee referred to in paragraph (2)), whether the
8 grantee—

9 (A) has carried out its activities in a timely
10 manner;

11 (B) has made progress toward establishing
12 and maintaining the comprehensive homeless
13 assistance system (“continuum of care”) in con-
14 formity with its application under this subtitle;

15 (C) has carried out its activities and cer-
16 tifications in accordance with the requirements
17 of this subtitle and other applicable laws; and

18 (D) has a continuing capacity to carry out
19 its activities in a timely manner; and

20 (2) in the case of States distributing grant
21 amounts to State recipients, whether the State—

22 (A) has distributed amounts to State re-
23 cipients in a timely manner and in conformance
24 with the method of distribution described in its
25 application;

1 (B) has carried out its activities and cer-
2 tifications in compliance with the requirements
3 of this subtitle and other applicable laws; and

4 (C) has made such reviews and audits of
5 the State recipients as may be necessary or ap-
6 propriate to determine whether they have satis-
7 fied the applicable performance criteria con-
8 tained in paragraph (1).

9 The Secretary may make appropriate adjustments in
10 the amount of grants in accordance with the Sec-
11 retary's findings under this subsection. With respect
12 to assistance made available for State recipients, the
13 Secretary may adjust, reduce, or withdraw such as-
14 sistance, or take other action as appropriate in ac-
15 cordance with the Secretary's reviews and audits
16 under this subsection, except that funds already
17 properly expended on eligible activities under this
18 subtitle shall not be recaptured or deducted from fu-
19 ture assistance to such recipients.

20 NONDISCRIMINATION IN PROGRAMS AND ACTIVITIES

21 SEC. 111. (a) IN GENERAL.—No person in the
22 United States shall on the ground of race, color, national
23 origin, religion, or sex be excluded from participation in,
24 be denied the benefits of, or be subjected to discrimination
25 under any program or activity funded in whole or in part
26 with funds made available under this subtitle. Any prohibi-

tion against discrimination on the basis of age under the Age Discrimination Act of 1975 or with respect to an otherwise qualified handicapped individual, as provided in section 504 of the Rehabilitation Act of 1973, shall also apply to any such program or activity.

(b) LIMITATIONS.—

(1) INDIAN TRIBES.—No grant may be made to an Indian tribe under this subtitle unless the applicant provides satisfactory assurances that its program will be conducted and administered in conformity with title II of Public Law 90–284. The Secretary may waive, in connection with grants to Indian tribes, the provisions of subsection (a).

(2) HAWAIIAN HOME LANDS.—Nothing in this subtitle relating to discrimination on the basis of race shall apply to the provision of assistance to the Hawaiian Home Lands.

CONSULTATION

SEC. 112. In carrying out the provisions of this subtitle, including the issuance of regulations, the Secretary shall consult with other Federal departments and agencies administering programs affecting homeless individuals and families.

RECORDS, REPORTS, AND AUDITS

SEC. 113. (a) KEEPING OF RECORDS.—Any recipient (including a State distributing grant amounts to State re-

1 cipients under section 108(b)(2)(B)) shall keep such
2 records as may be reasonably necessary—

3 (1) to disclose the amounts and the disposition
4 of the grant amounts; and

5 (2) to ensure compliance with the requirements
6 of this subtitle.

7 (b) ACCESS TO DOCUMENTS BY THE SECRETARY.—

8 The Secretary shall have access for the purpose of audit
9 and examination to any books, documents, papers, and
10 records of any recipient specified in subsection (a) that
11 are pertinent to grant amounts received in connection
12 with, and the requirements of, this subtitle.

13 (c) ACCESS TO DOCUMENTS BY THE COMPTROLLER
14 GENERAL.—The Comptroller General of the United
15 States, or any of the duly authorized representatives of
16 the Comptroller General, shall have access for the purpose
17 of audit and examination to any books, documents, papers,
18 and records of any recipient specified in subsection (a)
19 that are pertinent to grant amounts received in connection
20 with, and the requirements of, this subtitle.

21 REPORTS TO CONGRESS

22 SEC. 114. The Secretary shall submit a report to the
23 Congress annually, summarizing the activities carried out
24 under this subtitle and setting forth the findings, conclu-
25 sions, and recommendations of the Secretary as a result
26 of the activities. The report shall be submitted not later

1 than 4 months after the end of each fiscal year (except
 2 that, in the case of fiscal year 1995, the report shall be
 3 submitted not later than 6 months after the end of the
 4 fiscal year).

5 INNOVATIVE HOMELESS PROGRAM

6 SEC. 115. (a) FUNDING AUTHORIZATION.—Section
 7 2(f) of the HUD Demonstration Act of 1993 is amended
 8 to read as follows:

9 “(f) AUTHORIZATION OF APPROPRIATIONS.—

10 “(1) IN GENERAL.—There are authorized to be
 11 appropriated to carry out this section \$100,000,000
 12 for fiscal year 1995 and such sums as may be nec-
 13 essary for fiscal year 1996.

14 “(2) USE OF AMOUNTS.—All amounts appro-
 15 priated under paragraph (1) shall be used only to
 16 carry out the comprehensive homeless initiative
 17 under subsection (c).”.

18 (b) REPEAL.—Section 2(g) of such Act is amended
 19 by striking “1994” and inserting “1997”.

20 Subtitle B—Emergency Food and Shelter

21 TRANSFER OF THE EMERGENCY FOOD AND SHELTER

22 PROGRAM FROM FEMA TO HUD

23 SEC. 121. (a) Section 301 of the Stewart B. McKin-
 24 ney Homeless Assistance Act is amended—

25 (1) by striking the second sentence of sub-
 26 section (a);

1 (2) by striking the first and second sentences of
2 subsection (b) and inserting in lieu thereof the fol-
3 lowing: “The National Board shall consist of the
4 Secretary and 6 members. The Secretary shall ap-
5 point members to vacancies on the National Board
6 existing on, or occurring after, the effective date of
7 this sentence.”;

8 (3) in subsection (c), by striking “Director”
9 and inserting in lieu thereof “Secretary”; and

10 (4) by striking subsection (e).

11 (b) Section 303 of such Act is amended—

12 (1) by striking “Federal Emergency Manage-
13 ment Agency” in the section heading and subsection
14 (b)(1) and inserting in lieu thereof “Department of
15 Housing and Urban Development”; and

16 (2) by striking “Director” each place it appears
17 and inserting in lieu thereof “Secretary”.

18 (c) Section 311 of such Act is amended by striking
19 “Director” in the section heading and in the first sentence
20 and inserting in lieu thereof “Secretary”.

21 (d) Section 321(1) of such Act is amended to read
22 as follows:

23 “(1) The term ‘Secretary’ means the Secretary
24 of Housing and Urban Development.”.

1 (e) Section 322 of such Act is amended to read as
 2 follows:

3 **“SEC. 322. AUTHORIZATION OF APPROPRIATIONS.**

4 “There are authorized to be appropriated to carry out
 5 this title \$130,000,000 for fiscal year 1995 and
 6 \$130,000,000 for fiscal year 1996.”.

7 (f) The amendments made by the preceding provi-
 8 sions of this section shall become effective on the later of
 9 October 1, 1994, or the date of enactment of this Act.

10 TITLE II—PUBLIC AND INDIAN HOUSING;

11 CROSS-CUTTING AUTHORIZATIONS

12 Subtitle A—Enhance Flexibility for Public Housing
 13 Agencies

14 DIRECT LOANS FOR MODERNIZATION AND REPLACEMENT

15 SEC. 201. The United States Housing Act of 1937
 16 is amended by adding the following new section at the end
 17 of title I:

18 **“SEC. 27. DIRECT LOANS FOR MODERNIZATION AND RE-**
 19 **PLACEMENT.**

20 “(a) GENERAL AUTHORIZATION.—The Secretary is
 21 authorized, upon such terms and conditions as the Sec-
 22 retary may prescribe, to make loans to public housing
 23 agencies eligible for comprehensive modernization grants
 24 under section 14 for purposes of financing activities eligi-
 25 ble for comprehensive modernization grants under that

1 section, except for upgrading the management and oper-
2 ation of low-rent public housing projects.

3 “(b) TERMS AND CONDITIONS.—

4 “(1) CRITERIA FOR APPROVAL.—In determining
5 whether, or in what amount, to approve an applica-
6 tion for a loan under this section, the Secretary may
7 consider—

8 “(A) the ability of the agency to use funds
9 effectively, directly or through contract manage-
10 ment;

11 “(B) the adequacy of remaining future al-
12 locations in providing repairs, replacements,
13 and improvements which will be needed as a re-
14 sult of usage and depreciation of existing
15 projects over the loan period; and

16 “(C) such other criteria as the Secretary
17 may specify.

18 “(2) SPECIAL CONDITIONS.—Notwithstanding
19 paragraph (1), the Secretary may approve a loan
20 under this section only if the Secretary determines
21 that the public housing agency has an acceptable
22 rate of obligation of funds under section 14, or the
23 public housing agency agrees to administer the loan
24 proceeds through contract management.

1 “(3) LIMITATIONS ON DENIAL.—The Secretary
2 may not deny a loan under this section on the basis
3 of the proposed repayment period for the loan, un-
4 less the period is more than 10 years or the Sec-
5 retary determines that the period otherwise causes
6 the loan to constitute an unacceptable financial risk.

7 “(4) TERM OF LOAN.—Loans under this section
8 shall be for a term not to exceed 10 years.

9 “(5) INTEREST RATE.—Loans under this sec-
10 tion shall bear an interest rate determined by the
11 Secretary of the Treasury, taking into consideration
12 the current market yields on outstanding marketable
13 obligations of the United States with remaining
14 terms to maturities comparable to the average matu-
15 rities of loans under this section, plus amounts suffi-
16 cient to cover servicing costs.

17 “(6) PROHIBITION AGAINST SUBORDINATION.—
18 Loans under this section shall not be subordinated
19 to other debt contracted by the public housing agen-
20 cy or to any other claim against the agency.

21 “(7) SUBSIDY AMOUNT.—Based on the strength
22 of the guarantees by the State or unit of general
23 local government, pledges of financial assets, tax
24 revenues, and payments from other sources (non-
25 Federal or Federal), and the public housing agency’s

1 pledged sources of repayments (including rents and
2 other anticipated income streams (Federal or non-
3 Federal)), the Secretary shall establish a subsidy
4 cost, as defined by the Federal Credit Reform Act
5 of 1990, for each loan to an agency. The subsidy
6 shall be calculated by the Office of Management and
7 Budget in consultation with the Secretary, as di-
8 rected by section 503(a) of the Federal Credit Re-
9 form Act, consistent with the technical assumptions
10 contained in the President's Budget to assure that
11 it is fully offset by the premium amount and that
12 the resulting net subsidy cost to the Federal Govern-
13 ment is zero.

14 “(8) PREMIUM AMOUNT.—A premium amount
15 shall be assessed to cover the subsidy amount associ-
16 ated with each loan. This premium shall be paid
17 from the amount the public housing agency received
18 under the comprehensive grant program under sec-
19 tion 14 in the year the loan is originated.

20 “(c) FUNDING AND BORROWING AUTHORIZATION.—
21 There are authorized to be appropriated such sums as may
22 be necessary for each of fiscal years 1995 and 1996 for
23 the cost to the Government, as defined in section 502 of
24 the Congressional Budget Act, of loans under this section.
25 To the extent provided in appropriations Acts, the Sec-

1 retary may enter into commitments to make loans under
2 this section with an aggregate principal amount of
3 \$2,000,000,000 for fiscal year 1995 and \$2,000,000,000
4 for fiscal year 1996.

5 “(d) LOAN LIMIT.—No loan may be made under this
6 section if the total outstanding loans under this section
7 made to a public housing agency (excluding any amount
8 repaid) would thereby exceed an amount prescribed by the
9 Secretary, but not to exceed 5 times the amount of the
10 public housing agency’s latest comprehensive moderniza-
11 tion grant under section 14.

12 “(e) USE OF COMPREHENSIVE GRANTS.—Notwith-
13 standing any other provision of this title, comprehensive
14 modernization grants or allocations under this title to the
15 public housing agency (including program income derived
16 therefrom) are authorized for use by the public housing
17 agency or by the Secretary for the payment of principal
18 and interest, and fees, due on the loans under this section.

19 “(f) FEES AND PREMIUMS.—The Secretary is au-
20 thorized to charge such fees and premiums as the Sec-
21 retary determines necessary to cover the cost, as defined
22 by the Federal Credit Reform Act of 1990, to the Federal
23 Government with respect to any loan made under this
24 section.

1 “(g) PROGRAM REQUIREMENTS.—To assure the full
2 repayment of loans made under this section, as well as
3 the payment of any fees and premiums charged in connec-
4 tion with the loans, and as a prior condition for receiving
5 the loans, the Secretary shall require—

6 “(1) the public housing agency to—

7 “(A) enter into a contract, in a form ac-
8 ceptable to the Secretary, for repayment of the
9 loans and the other specified charges;

10 “(B) pledge for repayment of the loan any
11 amount received under the comprehensive grant
12 program under section 14 or grant for which
13 the public housing agency may become eligible
14 under this title and other financial resources,
15 including rental and other public housing agen-
16 cy income; however, in no case may a loan be
17 granted if the only pledged source of repayment
18 is amounts received under the comprehensive
19 grant program under section 18; and

20 “(C) furnish, at the discretion of the Sec-
21 retary, such other security as may be deemed
22 appropriate by the Secretary in making such
23 loans, which may include public housing
24 projects, accounts, or other land or housing

1 owned by the agency or the proceeds of disposi-
2 tion thereof; and

3 “(2) the State or unit of general local govern-
4 ment in which the public housing agency is located
5 to enter into a contract in a form acceptable to the
6 Secretary under which the jurisdiction shall pledge
7 its financial assets, tax revenues, and other Federal
8 payments, including amounts from present and fu-
9 ture allocations under title I of the Housing and
10 Community Development Act of 1974, as collateral
11 for repayment of some portion of the loan. In the
12 event of default, the State or unit of general local
13 government shall pay a share of the remaining un-
14 paid debt service proportional to its pledge.

15 “(h) APPLICATION OF PLEDGED AMOUNTS.—Not-
16 withstanding any other provision of Federal, State, or
17 local law, the Secretary is authorized to apply allocations,
18 grants, and sums from other sources pledged under this
19 section to any remaining debt service due the United
20 States as a result of such loans.

21 “(i) PROGRAM ADMINISTRATION.—The Secretary
22 shall monitor the use of loans under this section by public
23 housing agencies. If the Secretary finds that 50 percent
24 of the annual loan authority has been committed, or public

1 housing agencies have applied for such commitments, the
 2 Secretary may—

3 “(1) impose limitations on the amount of loans
 4 any public housing agency may receive in any fiscal
 5 year; or

6 “(2) request the enactment of legislation in-
 7 creasing the aggregate limitation on loans under this
 8 section.

9 “(j) TRAINING AND INFORMATION.—The Secretary
 10 may carry out training and information collection and dis-
 11 semination activities in support of this section using funds
 12 otherwise set aside for technical assistance under section
 13 14.”.

14 USE OF MODERNIZATION FUNDS FOR REPLACEMENT
 15 HOUSING

16 SEC. 202. Section 14 of the United States Housing
 17 Act of 1937 is amended by adding the following new sub-
 18 section at the end thereof:

19 “(q) A public housing agency may use assistance
 20 under this section for the development of additional hous-
 21 ing under this Act, in accordance with requirements appli-
 22 cable to the development of public housing, and for 15-
 23 year project-based assistance and 5-year tenant-based as-
 24 sistance, in accordance with section 8, to provide replace-
 25 ment housing as required by section 18.”.

1 FACILITATE USE OF PUBLIC-PRIVATE PARTNERSHIPS IN
2 MODERNIZING PUBLIC HOUSING

3 SEC. 203. Section 14(c)(1) of the United States
4 Housing Act of 1937 is amended by inserting before the
5 semicolon the following: “or, as determined by the Sec-
6 retary, controlled by the agencies”.

7 MODIFICATION OF THE EARLY CHILDHOOD
8 DEVELOPMENT PROGRAM

9 SEC. 204 (a) The caption for section 222 of the
10 Housing and Urban-Rural Recovery Act of 1983 is
11 amended to read as follows:

12 “EARLY CHILDHOOD DEVELOPMENT PROGRAMS FOR
13 PUBLIC HOUSING RESIDENTS AND HOMELESS FAMILIES”.

14 (b) Section 222(b)(1) of such Act is amended by in-
15 serting before the semicolon the following: “, except that
16 the Secretary may make a grant to provide additional as-
17 sistance for an existing child care center assisted under
18 this section or to expand an existing child care center re-
19 gardless of whether or not such center was previously as-
20 sisted under this section”.

21 (c) Section 222 of such Act is amended—

22 (1) in subsection (a)(1), by inserting before the
23 period the following: “(including, for purposes of
24 this section, homeless families with children, as de-
25 fined by the Secretary)”; and

1 (2) by redesignating paragraphs (2) and (3) of
 2 subsection (c) as paragraphs (3) and (4), and insert-
 3 ing after paragraph (1) the following new para-
 4 graph:

5 “(2) take into account the proximity of home-
 6 less facilities to the proposed site at which the serv-
 7 ices are proposed to be provided;”.

8 (d) Section 222(g) of such Act is amended by striking
 9 the first two sentences and inserting in lieu thereof the
 10 following: “There are authorized to be appropriated to
 11 carry out this section \$35,000,000 for fiscal year 1995
 12 and \$35,000,000 for fiscal year 1996.”.

13 ENTREPRENEURIAL PHAS AND RMCS

14 SEC. 205. (a) The Secretary may authorize public
 15 housing agencies and resident management corporations
 16 to conduct demonstrations that—

17 (1) test the extent to which aspects of the pub-
 18 lic housing program may be exempt from certain
 19 statutory requirements while continuing to serve eli-
 20 gible families, and

21 (2) permit agencies and RMCs to set policies
 22 for the operation, maintenance, management, and
 23 development (including modernization) of one or
 24 more projects, without regard to the requirements
 25 applicable to public housing in the 1937 Act. In es-
 26 tablishing these policies, agencies and RMCs shall be

1 bound by any applicable State or local law. A dem-
2 onstration may be approved for a term of up to 5
3 years.

4 (b) The Secretary may waive requirements of the
5 1937 Act that the Secretary determines are not consistent
6 with the purposes of a demonstration, except require-
7 ments—

8 (1) limiting occupancy to low-income families,
9 as defined in section 3 of the 1937 Act,

10 (2) under section 18 of that Act requiring re-
11 placement of units in the case of demolition or dis-
12 position (except that the limitation on the use of
13 tenant-based assistance to applications proposing
14 demolition or disposition of 200 or more units may
15 be waived); and

16 (3) relating to labor standards.

17 The Secretary may also waive any other statutory require-
18 ments that apply to the project and that the Secretary
19 determines are not consistent with the purposes of a dem-
20 onstration, except that the Secretary may not waive the
21 Uniform Relocation Assistance and Real Property Acquisi-
22 tion Policies Act of 1970 or any statutory requirements
23 pertaining to equal opportunity or nondiscrimination or
24 the environment.

1 (c) The Secretary may select a total of up to 25 pub-
2 lic housing agencies or RMCs (or a combination of both)
3 to carry out up to 25 demonstrations under this section.
4 The Secretary shall select agencies based on selection cri-
5 teria including such factors as—

6 (1) the need for a range of project sizes;

7 (2) the need for a range of types of public hous-
8 ing agencies and RMCs; and

9 (3) the potential effects and benefits the vari-
10 ations proposed by the agency or RMC could have
11 on the public housing program if the variations were
12 adopted for the whole program.

13 (d) Each demonstration under this section shall—

14 (1) be approved personally by the Secretary;

15 (2) taken as a whole over the life of the dem-
16 onstration, not result in higher costs to the Federal
17 Government;

18 (3) be consistent with the overall purposes of
19 the public housing program;

20 (4) be evaluated by an independent party; and

21 (5) be consistent with the Fair Housing Act,
22 title VI of the Civil Rights Act of 1964, section 504
23 of the Rehabilitation Act of 1973, the Age Discrimi-
24 nation Act of 1975, and the National Environmental
25 Policy Act of 1969.

1 (e) In approving a demonstration under this section,
2 the Secretary may impose such requirements as the Sec-
3 retary considers to be appropriate to further its purposes.

4 (f) For each demonstration site, the agency or RMC
5 carrying out the demonstration shall submit an annual
6 progress report to the Secretary. The Secretary shall sub-
7 mit a report to Congress within 1 year after completion
8 of the demonstration, describing the results of the dem-
9 onstration and making any recommendations for legisla-
10 tion.

11 (g) There is authorized to be appropriated
12 \$1,000,000 for the evaluation of demonstrations under
13 this section.

14 (h) As used in this section:

15 (1) “Secretary” means the Secretary of Hous-
16 ing and Urban Development.

17 (2) “1937 Act” means the United States Hous-
18 ing Act of 1937.

19 (3) “Public housing agency” or “agency”
20 means a public housing agency, as defined in section
21 3(b)(6) of the 1937 Act. The term includes Indian
22 housing authorities.

23 (4) “Resident management corporation” or
24 “RMC” means a resident management corporation

1 established in accordance with requirements of the
2 Secretary under section 20 of the 1937 Act.

3 DISALLOWANCE OF EARNED INCOME FOR RESIDENTS
4 WHO OBTAIN EMPLOYMENT

5 SEC. 206. (a) DISALLOWANCE OF EARNED INCOME
6 FROM PUBLIC HOUSING RENT DETERMINATIONS.—

7 (1) IN GENERAL.—Section 3 of the United
8 States Housing Act of 1937 is amended by striking
9 the undesignated paragraph at the end thereof and
10 inserting in lieu thereof the following new sub-
11 section:

12 “(d) DISALLOWANCE OF EARNED INCOME FROM
13 PUBLIC HOUSING RENT DETERMINATIONS.—Notwith-
14 standing any other provision of law, the rent payable
15 under subsection (a) for any public housing unit by a fam-
16 ily whose income increases as a result of employment of
17 a member of the family who was previously unemployed
18 for 1 or more years (including a family whose income in-
19 creases as a result of the participation of a family member
20 in the Family Self-Sufficiency Program or other job-train-
21 ing program) may not be increased for a period of 18
22 months, beginning with the commencement of employment
23 as a result of the increased income due to such employ-
24 ment. After the expiration of the 18-month period, rent
25 increases due to the continued employment of such a fam-
26 ily member shall be limited to 10 percent per year. In no

1 case shall rent exceed the amount determined under sub-
 2 section (a).”.

3 (2) APPLICABILITY OF AMENDMENT.—Notwith-
 4 standing the amendment made by paragraph (1),
 5 any resident of public housing participating in the
 6 program under the authority contained in the undes-
 7 ignated paragraph at the end of section 3(c)(3) of
 8 the United States Housing Act of 1937, as such
 9 paragraph existed before the date of enactment of
 10 this Act, shall continue to be governed by such
 11 authority.

12 (b) REPEALER.—Section 957 of the Cranston-Gon-
 13 zalez National Affordable Housing Act is hereby repealed.

14 CEILING RENTS BASED ON REASONABLE RENTAL VALUE

15 SEC. 207. (a) Section 3(a)(2)(A)(iii) of the United
 16 States Housing Act of 1937 is amended to read as follows:

17 “(iii) is not less than the reasonable
 18 rental value of the unit, as determined by
 19 the Secretary.”.

20 (b) REGULATIONS.—

21 (1) IN GENERAL.—The Secretary shall, by reg-
 22 ulation, after notice and an opportunity for public
 23 comment, establish such requirements as may be
 24 necessary to carry out the provisions of section
 25 3(a)(2)(A) of the United States Housing Act of
 26 1937, as amended by subsection (a).

1 (2) TRANSITION RULE.—Prior to the issuance
 2 of final regulations under paragraph (1), a public
 3 housing agency may implement ceiling rents which
 4 shall be—

5 (A) determined in accordance with section
 6 3(a)(2)(A) of the United States Housing Act of
 7 1937, as such section existed before the date of
 8 enactment of this Act; or

9 (B) equal to the 95th percentile of the rent
 10 paid for a unit of comparable size by tenants in
 11 the same project or a group of comparable
 12 projects totaling 50 units or more.

13 AUTHORIZATION TO SELL PUBLIC HOUSING TO NON-
 14 PROFIT ORGANIZATIONS

15 SEC. 208. The first sentence of section 5(h) of the
 16 United States Housing Act of 1937 is amended by striking
 17 “lower income tenants” and inserting: “low-income fami-
 18 lies or to nonprofit organizations for resale to low-income
 19 families”.

20 Subtitle B—Severely Distressed Public Housing Program

21 REVITALIZATION OF SEVERELY DISTRESSED PUBLIC
 22 HOUSING

23 SEC. 211. (a) SEVERELY DISTRESSED PUBLIC
 24 HOUSING.—Section 24 of the United States Housing Act
 25 of 1937 is amended as provided by this subsection.

26 (1) DESIGNATION OF ELIGIBLE PROJECTS.—

1 (A) Subsection (b) is amended to read as
 2 follows:

3 “(b) [RESERVED].”

4 (B) Subsection (i)(2) is hereby repealed
 5 and the following paragraphs redesignated ac-
 6 cordingly.

7 (2) INCREASE PLANNING GRANT DOLLAR
 8 CAP.—Subsection (c)(2) is amended by striking
 9 “\$200,000” and inserting “\$500,000”.

10 (3) PLANNING GRANT ELIGIBLE ACTIVITIES:
 11 COMMUNITY SERVICE.—Subsection (c)(3) is amend-
 12 ed—

13 (A) inserting the following new subpara-
 14 graph after subparagraph and (D) redesignat-
 15 ing the following subparagraphs accordingly:

16 “(E) planning for community service and
 17 support service activities to be carried out by
 18 the public housing agency, residents, members
 19 of the community, and other persons and orga-
 20 nizations willing to contribute to the social, eco-
 21 nomic, or physical improvement of the commu-
 22 nity (community service is a required element of
 23 the revitalization program);”; and

24 (B) in subparagraph (H), as redesignated,
 25 by striking “designing a suitable replacement

1 housing plan” and inserting “designing suitable
2 relocation and replacement housing plans,”.

3 (4) PLANNING GRANT APPLICATION: COMMU-
4 NITY SERVICE.—Subsection (c)(4) is amended by in-
5 serting the following new subparagraph after sub-
6 paragraph (C) and redesignating the following sub-
7 paragraphs accordingly:

8 “(D) a description of the community serv-
9 ice and support service planning activities to be
10 carried out by the public housing agency, resi-
11 dents, members of the community, and other
12 persons and organizations willing to contribute
13 to the social, economic, or physical improvement
14 of the community;”.

15 (5) PLANNING GRANT SELECTION CRITERIA:
16 NATIONAL GEOGRAPHIC DIVERSITY.—Subsection
17 (c)(5) is amended by—

18 (A) striking subparagraph (E) and redesign-
19 nating the following subparagraphs accordingly;

20 (B) in subparagraph (E), as redesignated,
21 by inserting before the semicolon “, taking into
22 account the condition of the stock of the public
23 housing agency as a whole”; and

24 (C) adding at the end the following: “In
25 making grants, under this subsection, the Sec-

retary may select a lower-rated, approvable application over a higher-rated application to increase the national geographic diversity among applications approved under this section.”;

(6) IMPLEMENTATION GRANT ELIGIBLE ACTIVITIES.—

(A) Subsection (d)(2) is amended by inserting the following new subparagraphs after subparagraph (D) and redesignating the following subparagraphs accordingly:

“(E) community service and support service activities to be carried out by the public housing agency, residents, members of the community, and other persons willing to contribute to the social, economic, or physical improvement of the community (community service is a required element of the revitalization program);

“(F) replacement of public housing units;”.

(B) Subsection (d)(2)(K), as redesignated by subparagraph (A) of this paragraph, is amended by—

(i) striking “15 percent” and inserting “20 percent”; and

(ii) inserting before the period the following: “except that an amount equal to

1 15 percent of the amount of any grant
 2 under this subsection used for support
 3 services shall be contributed from non-Fed-
 4 eral sources (which contribution shall be in
 5 the form of cash, administrative costs, and
 6 the reasonable value of in-kind contribu-
 7 tions and may include funding under title
 8 I of the Housing and Community Develop-
 9 ment Act of 1974)’’.

10 (7) IMPLEMENTATION GRANT APPLICATIONS:
 11 COMMUNITY SERVICE.—Subsection (d)(3) is amend-
 12 ed by inserting the following new subparagraph after
 13 subparagraph (C) and redesignating the following
 14 subparagraphs accordingly:

15 “(D) a description of the community serv-
 16 ice and support activities to be carried out by
 17 the public housing agency, residents, members
 18 of the community, and other persons and orga-
 19 nizations willing to contribute to the social, eco-
 20 nomic, or physical improvement of the commu-
 21 nity;’’.

22 (8) IMPLEMENTATION GRANT SELECTION CRI-
 23 TERIA: NATIONAL GEOGRAPHIC DIVERSITY.—Sub-
 24 section (d)(4) is amended by—

1 (A) in subparagraph (D), by inserting
 2 “(with assistance from the Department of
 3 Housing and Urban Development if necessary)”
 4 after “applicant”;

5 (B) striking subparagraph (E) and redesi-
 6 gnating the following subparagraphs accord-
 7 ingly;

8 (C) in subparagraph (E), as redesignated,
 9 by inserting before the semicolon “, taking into
 10 account the condition of the applicant’s stock as
 11 a whole”; and

12 (D) adding at the end the following: “In
 13 making grants, under this subsection, the Sec-
 14 retary may select a lower-rated, approvable ap-
 15 plication over a higher-rated application to in-
 16 crease the national geographic diversity among
 17 applications approved under this section.”.

18 (9) EXCEPTIONS TO GENERAL PROGRAM RE-
 19 QUIREMENTS.—Subsection (e) is amended by adding
 20 at the end the following new paragraph:

21 “(3) DEMOLITION AND REPLACEMENT.—

22 “(A) IN GENERAL.—Notwithstanding any
 23 other applicable law or regulation, a revitaliza-
 24 tion plan under this section may include demoli-
 25 tion and replacement on site or in the same

neighborhood if the number of replacement units provided in the same neighborhood is fewer than the number of units demolished as a result of the revitalization effort.

“(B) TENANT-BASED ASSISTANCE.—Notwithstanding the limitations contained in subparagraph (A)(v) or (C) of section 18(b)(3), a public housing agency may replace not more than one-third of the units demolished or disposed of through a revitalization project under this section with tenant-based assistance under section 8.”.

(10) DEFINITIONS.—

(A) Subsection (h)(5) is amended to read as follows:

“(5) SEVERELY DISTRESSED PUBLIC HOUSING.—The term ‘severely distressed public housing’ means a public housing project or a building in a project—

“(A) that requires major redesign, reconstruction, redevelopment, or partial or total demolition to correct serious deficiencies in the original design (including inappropriately high population density), deferred maintenance, physical deterioration or obsolescence of major

1 systems, and other deficiencies in the physical
2 plant of the project; and

3 “(B) that either—

4 “(i)(I) is occupied predominantly by
5 families with children that have extremely
6 low incomes, high rates of unemployment,
7 and extensive dependency on various forms
8 of public assistance; and

9 “(II) has high rates of vandalism and
10 criminal activity (including drug-related
11 criminal activity; or

12 “(ii) that has a vacancy rate, as deter-
13 mined by the Secretary, of 50 percent or
14 more; and

15 “(C) that cannot be revitalized through as-
16 sistance under other programs, such as the pro-
17 grams under sections 9 and 14, or through
18 other administrative means because of the inad-
19 equacy of available funds; and

20 “(D) that in the case of individual build-
21 ings, the building is, in the Secretary’s deter-
22 mination, sufficiently separable from the re-
23 mainder of the project to make use of the build-
24 ing feasible for purposes of this section.”.

1 (B) Subsection (h) is amended by adding
2 the following new paragraphs at the end there-
3 of:

4 “(6) COMMUNITY SERVICE.—The term ‘commu-
5 nity service’ means services provided on a volunteer
6 basis for the social, economic, or physical improve-
7 ment of the community to be served.

8 “(7) SUPPORT SERVICES.—The term ‘support
9 services’ includes all activities designed to lead to-
10 ward upward mobility, self-sufficiency, and improved
11 quality of life for the residence of the project, such
12 as literacy training, job training, day care, and eco-
13 nomic development. Such activities may allow for the
14 participation of residents of the neighborhood.”.

15 (b) CONFORMING AMENDMENT.—The first sentence
16 of section 25(m)(1) of the United States Housing Act of
17 1937 is amended to read as follows: “The term ‘eligible
18 housing’ means a public housing project, or one or more
19 buildings within a project, that is owned or operated by
20 a troubled public housing agency that has been troubled
21 for not less than 3 years and that, as determined by the
22 Secretary, has failed to make substantial progress toward
23 effective management.”.

24 (c) USE OF TENANT-BASED ASSISTANCE FOR RE-
25 PLACEMENT HOUSING.—Section 18(b)(3)(C)(i) of the

1 United States Housing Act of 1937 is amended by striking
2 “15-year”.

3 (d) REPLACEMENT HOUSING OUTSIDE THE JURIS-
4 DICTION OF THE PHA.—Section 18(b)(3) of such Act is
5 amended by inserting the following new subparagraph
6 after subparagraph (C), and redesignating the following
7 subparagraphs accordingly:

8 “(D) may provide that all or part of such
9 additional dwelling units may be located outside
10 the jurisdiction of the public housing agency
11 (the ‘original agency’) if—

12 “(i) the location is in the same hous-
13 ing market area as the original agency, as
14 determined by the Secretary;

15 “(ii) the plan contains an agreement
16 between the original agency and the public
17 housing agency in the alternate location on
18 other public or private entity that will be
19 responsible for providing the additional
20 units in the alternate location (‘alternate
21 agency or entity’) that the alternate agency
22 or entity will, with respect to the dwelling
23 units involved—

24 “(I) provide the dwelling units in
25 accordance with subparagraph (A);

1 “(II) complete the plan on sched-
 2 ule in accordance with subparagraph
 3 (E);

4 “(III) meet the requirements of
 5 subparagraph (F) of this paragraph
 6 and the maximum rent provisions of
 7 subparagraph (G); and

8 “(IV) not impose a local resi-
 9 dency preference on any resident of
 10 the jurisdiction of the original agency
 11 for purposes of admission to any such
 12 units; and

13 “(iii) the arrangement is approved by
 14 the unit of general local government for
 15 the jurisdiction in which the additional
 16 units will be located.”.

17 MODERNIZATION PROGRAM RESERVE FUNDS

18 SEC. 212. The first sentence of section 14(k)(1) of
 19 the United States Housing Act of 1937 is amended by
 20 inserting before the period the following: “and for mod-
 21 ernization needs in connection with the settlement of liti-
 22 gation and desegregation of public housing.”.

23 ELIGIBILITY OF SEVERELY DISTRESSED PUBLIC HOUSING

24 FOR PUBLIC HOUSING OPERATING SUBSIDIES

25 SEC. 213. Section 9(a)(2) of the United States Hous-
 26 ing Act of 1937 is amended—

1 (1) by inserting immediately after “one” the
2 following: “that is (A)”; and

3 (2) by inserting immediately after “section 8,”
4 the following: “or (B) assisted under section 24 or
5 the program authorized under (i) the third para-
6 graph of the head, HOMEOWNERSHIP AND OPPOR-
7 TUNITY FOR PEOPLE EVERYWHERE GRANTS (HOPE
8 GRANTS), of the Department of Veterans Affairs and
9 Housing and Urban Development, and Independent
10 Agencies Appropriations Act, 1993, or (ii) the head,
11 SEVERELY DISTRESSED PUBLIC HOUSING PROJECTS,
12 of the Department of Veterans Affairs and Housing
13 and Urban Development, and Independent Agencies
14 Appropriations Act, 1994,”.

15 APPLICABILITY OF SECTION 24 AND URD STATUTE AND

16 RULES

17 SEC. 214. Notwithstanding any provisions of the
18 United States Housing Act of 1937, with respect to a pub-
19 lic housing project that has been selected for funding
20 under section 24 of such Act or through the Urban Revi-
21 talization Demonstration Program included in the Depart-
22 ments of Veterans Affairs and Housing and Urban Devel-
23 opment, and Independent Agencies Appropriation Act,
24 1993 (Public Law 102–389) or the Departments of Veter-
25 ans Affairs and Housing and Urban Development, and
26 Independent Agencies Appropriation Act, 1994 (Public

1 Law 103–124) and that has an approved comprehensive
2 plan under section 14 of the United States Housing Act
3 of 1937—

4 (1) the Secretary may exempt such projects
5 from any requirements of the United States Housing
6 Act of 1937 and may establish such requirements as
7 the Secretary deems appropriate for any activities
8 funded under section 24 or through the Urban Revi-
9 talization Demonstration Program and for any ac-
10 tivities undertaken at the project pursuant to the
11 approved comprehensive plan and contributing to the
12 revitalization, including activities relating to demoli-
13 tion, modernization, reconstruction, site improve-
14 ments, and replacement of housing; however, in no
15 event may the Secretary waive, or specify alternative
16 requirements for, statutory requirements related to
17 nondiscrimination, fair housing, labor standards, the
18 environment, or the Uniform Relocation Assistance
19 and Real Property Acquisition Policies Act of 1970;

20 (2) for the replacement of public housing units
21 either on the site of such a project or on other sites,
22 the Secretary may establish such standards as the
23 Secretary deems appropriate with respect to the as-
24 sessment of racial and socio-economic information

1 relevant to the placement of public housing units on
2 the site; and

3 (3) for such a revitalized project, the Secretary
4 may establish such requirements as the Secretary
5 deems appropriate with respect to income eligibility,
6 the selection of tenants, the establishment of rents,
7 and for the operation and management of the
8 projects.

9 Subtitle C—Anti-Crime Initiatives

10 COMMUNITY PARTNERSHIPS AGAINST CRIME

11 SEC. 221. (a) CONFORMING PROVISIONS.—Section
12 5001 of the Anti-Drug Abuse Act of 1988 is amended in
13 the table of contents—

14 (1) by striking the item relating to the heading
15 for chapter 2 and inserting the following:

“CHAPTER 2—COMMUNITY PARTNERSHIPS AGAINST CRIME”;

16 (2) by striking the item relating to section 5122
17 and inserting the following:

“Sec. 5122. Purposes.”;

18 and

19 (3) by adding the following after the item relat-
20 ing to section 5130:

“Sec. 5131. Technical assistance.”.

21 (b) SHORT TITLE, PURPOSES, AND AUTHORITY TO
22 MAKE GRANTS.—The Public and Assisted Housing Drug
23 Elimination Act of 1990 is amended by striking the chap-

1 ter heading for chapter 2, and by striking sections 5121,
 2 5122, and 5123, and inserting the following:

3 **“CHAPTER 2—COMMUNITY PARTNERSHIPS**
 4 **AGAINST CRIME**

5 **“SEC. 5121. SHORT TITLE.**

6 “‘This chapter may be cited as the ‘Community Part-
 7 nerships Against Crime Act of 1994’.

8 **“SEC. 5122. PURPOSES.**

9 “‘The purposes of this chapter are to—

10 “(1) improve the quality of life for law-abiding
 11 public housing residents by reducing the levels of
 12 fear, violence, and crime in their communities;

13 “(2) expand and enhance the Federal Govern-
 14 ment’s commitment to eliminating crime in public
 15 housing;

16 “(3) broaden the scope of the Public and As-
 17 sisted Housing Drug Elimination Act of 1990 to
 18 apply to all types of crime, and not simply crime
 19 that is drug-related;

20 “(4) target opportunities for long-term commit-
 21 ments of funding primarily to public housing agen-
 22 cies with serious crime problems;

23 “(5) encourage the involvement of a broad
 24 range of community-based groups, and residents of
 25 neighboring housing that is owned or assisted by the

1 Secretary, in the development and implementation of
2 anti-crime plans;

3 “(6) reduce crime and disorder in and around
4 public housing through the expansion of community-
5 oriented policing activities and problem solving;

6 “(7) provide training, information services, and
7 other technical assistance to program participants;
8 and

9 “(8) establish a standardized assessment sys-
10 tem to evaluate need among public housing agencies,
11 and to measure progress in reaching crime reduction
12 goals.

13 **“SEC. 5123. AUTHORITY TO MAKE GRANTS.**

14 “The Secretary of Housing and Urban Development,
15 in accordance with the provisions of this chapter, may
16 make grants, for use in eliminating crime in and around
17 public and other federally assisted low-income housing
18 projects (1) to public housing agencies (including Indian
19 housing authorities), and (2) to private, for-profit, and
20 nonprofit owners of federally assisted low-income housing.
21 In designing the program, the Secretary shall consult with
22 the Attorney General.”.

23 (c) ELIGIBLE ACTIVITIES.—

1 (1) Section 5124(a) of the Public and Assisted
2 Housing Drug Elimination Act of 1990 is amend-
3 ed—

4 (A) in the introductory material preceding
5 paragraph (1), by inserting “and around” after
6 “used in”;

7 (B) in paragraph (3), by inserting “, such
8 as fencing, lighting, locking, and surveillance
9 systems” before the semicolon;

10 (C) in paragraph (4), by striking subpara-
11 graph (A) and inserting the following new sub-
12 paragraph:

13 “(A) to investigate crime; and”;

14 (D) in paragraph (6)—

15 (i) by striking “in and around public
16 or other federally assisted low-income
17 housing projects”; and

18 (ii) by striking “and” after the semi-
19 colon;

20 (E) in paragraph (7)—

21 (i) by striking “where a public hous-
22 ing agency receives a grant,”;

23 (ii) by striking “drug abuse” and in-
24 serting “crime”; and

1 (iii) by striking the period at the end
2 and inserting a semicolon; and

3 (F) by adding at the end the following new
4 paragraphs:

5 “(8) the employment or utilization of one or
6 more individuals, including law enforcement officers,
7 made available by contract or other cooperative ar-
8 rangement with State or local law enforcement agen-
9 cies, to engage in community policing involving
10 interaction with members of the community on
11 proactive crime control and prevention;

12 “(9) youth initiatives, such as activities involv-
13 ing training, education, after school programs, cul-
14 tural programs, recreation and sports, career plan-
15 ning, and entrepreneurship and employment; and

16 “(10) resident services programs, such as job
17 training, education programs, drug and alcohol
18 treatment, and other appropriate social services that
19 address the contributing factors of crime.”.

20 (2) Section 5124(b) of such Act is amended by
21 striking “(7)” and inserting in lieu thereof “(10)”.

22 (d) APPLICATIONS.—Section 5125 of the Public and
23 Assisted Housing Drug Elimination Act of 1990 is amend-
24 ed—

25 (1) in subsection (a)—

1 (A) by striking “To receive a grant” and
2 inserting the following:

3 “(1) APPLICATIONS.—To receive a grant”;

4 (B) in the second sentence, by striking
5 “drug-related crime on the premises of” and in-
6 serting the following: “crime in and around”;
7 and

8 (C) by adding at the end the following new
9 paragraphs:

10 “(2) ONE-YEAR RENEWABLE GRANTS.—

11 “(A) IN GENERAL.—Eligible applicants
12 may submit an application for a 1-year grant
13 under this chapter that, subject to the availabil-
14 ity of appropriated amounts, shall be renewed
15 annually for a period of not more than 4 years,
16 if the Secretary finds, after an annual or more
17 frequent performance review, that the public
18 housing agency is performing under the terms
19 of the grant and applicable laws in a satisfac-
20 tory manner and meets such other requirements
21 as the Secretary may prescribe.

22 “(B) PREFERENCE.—The Secretary shall
23 accord a preference to applicants for grants
24 under this paragraph if the grant is to be used
25 to continue or expand activities eligible for as-

1 sistance under this chapter that have received
2 previous assistance either under this chapter, as
3 it existed prior to the enactment of the Housing
4 Choice and Community Investment Act of
5 1994, or under section 14 of the United States
6 Housing Act of 1937. Such preference shall not
7 preclude the selection by the Secretary of other
8 meritorious applications, particularly applica-
9 tions which address urgent or severe crime
10 problems or which demonstrate especially prom-
11 ising approaches to reducing crime. Such pref-
12 erence shall not be construed to require con-
13 tinuation of activities determined by the Sec-
14 retary to be unworthy of continuation.

15 “(3) PUBLIC HOUSING AGENCIES THAT HAVE
16 ESPECIALLY SEVERE CRIME PROBLEMS.—The Sec-
17 retary shall, by regulation issued after notice and
18 opportunity for public comment, set forth criteria for
19 establishing a class of public housing agencies that
20 have especially severe crime problems. The Secretary
21 may allocate a portion of the annual appropriation
22 for this program for public housing agencies in this
23 class.”.

24 (2) in subsection (b)—

1 (A) by striking the introductory material
2 preceding paragraph (1) and inserting the fol-
3 lowing: “The Secretary shall approve applica-
4 tions under subsection (a)(2) that are not sub-
5 ject to a preference under subsection (a)(2)(B)
6 on the basis of—”;

7 (B) in paragraph (1), by striking “drug-re-
8 lated crime problem in” and inserting the fol-
9 lowing: “crime problem in and around”;

10 (C) in paragraph (2), by inserting imme-
11 diately after “crime problem in” the following:
12 “and around”; and

13 (D) in paragraph (4), by inserting after
14 “local government” the following: “, local com-
15 munity-based non-profit organizations, local
16 resident organizations that represent the resi-
17 dents of neighboring projects that are owned or
18 assisted by the Secretary,”;

19 (3) in subsection (c)(2), by striking “drug-
20 related” each place it appears; and

21 (4) by striking subsection (d).

22 (e) DEFINITIONS.—Section 5126 of the Public and
23 Assisted Housing Drug Elimination Act of 1990 is
24 amended by striking paragraphs (1) and (2), and redesign-

1 nating paragraphs (3) and (4) as paragraphs (1) and (2),
2 respectively.

3 (f) IMPLEMENTATION.—Section 5127 of the Public
4 and Assisted Housing Drug Elimination Act of 1990 is
5 amended by striking “Cranston-Gonzalez National Afford-
6 able Housing Act: and inserting “Housing Choice and
7 Community Investment Act of 1994”.

8 (g) REPORTS.—Section 5128 of the Public and As-
9 sisted Housing Drug Elimination Act of 1990 is amend-
10 ed—

11 (1) by striking “The Secretary” and inserting
12 the following:

13 “(a) GRANTEE REPORTS.—The Secretary”;

14 (2) by striking “drug-related crime in” and in-
15 sserting “crime in and around”; and

16 (3) by adding at the end the following new sub-
17 section:

18 “(b) HUD REPORTS.—The Secretary shall submit a
19 report to the Congress describing the system used to dis-
20 tribute funds to grantees under this section. Such report
21 shall include, at a minimum—

22 “(1) a description of the criteria used to estab-
23 lish the class of public housing agencies with espe-
24 cially severe crime problems and a list of such agen-
25 cies;

1 “(2) the methodology used to distribute funds
2 among the public housing agencies on the list cre-
3 ated under paragraph (1); and

4 “(3) the Secretary’s recommendations for any
5 change to the method of distribution of funds.”.

6 (h) AUTHORIZATION OF APPROPRIATIONS.—Section
7 5130 of the Public and Assisted Housing Drug Elimini-
8 nation Act of 1990 is amended—

9 (1) in the first sentence of subsection (a), by
10 striking “\$175,000,000 for fiscal year 1993” and all
11 that follows up to the period and inserting
12 “\$265,000,000 for fiscal year 1995, and
13 \$265,000,000 for fiscal year 1996”;

14 (2) in subsection (b)—

15 (A) in the heading, by striking “SET-
16 ASIDES” and inserting “SET-ASIDE”; and

17 (B) by striking the second sentence; and

18 (3) by adding at the end the following new sub-
19 section (d):

20 “(d) SET-ASIDE FOR PUBLIC PRIVATE PARTNER-
21 SHIPS.—Of any amount made available in any fiscal year
22 to carry out this chapter, 2 percent of such amount shall
23 be available for contracts, grants, cooperative agreements,
24 or interagency agreements with public housing agencies
25 (including Indian housing authorities) and other public or

1 private organizations, to implement programs which in-
2 volve joint investment by the public and private sectors
3 to conduct activities designed to reduce crime and violence
4 in public housing. Such activities may include the creation
5 of pilot programs or the replication of successful existing
6 programs.”.

7 (i) REPEAL.—Section 520(k) of the Cranston-Gon-
8 zalez National Affordable Housing Act is hereby repealed.

9 (j) TECHNICAL ASSISTANCE.—The Public and As-
10 sisted Housing Drug Elimination Act of 1990 is further
11 amended by adding at the end the following new section:

12 **“SEC. 5131. TECHNICAL ASSISTANCE.**

13 “Of the amounts appropriated annually for each of
14 fiscal years 1995 and 1996 to carry out this chapter, the
15 Secretary shall use not more than \$10,000,000, directly
16 or indirectly, under grants, contracts, or cooperative
17 agreements, to provide training, information services, and
18 other technical assistance to public housing agencies and
19 other entities with respect to their participation in the pro-
20 gram authorized by this chapter. Such technical assistance
21 may include the establishment and operation of the clear-
22 inghouse on drug abuse in public housing and the regional
23 training program on drug abuse in public housing under
24 sections 5143 and 5144 of this Act. The Secretary is also
25 authorized to use the foregoing amounts for obtaining as-

1 sistance in establishing and managing assessment and
2 evaluation criteria and specifications, and obtaining the
3 opinions of experts in relevant fields.”.

4 AUTHORITY FOR ASSISTED HOUSING OWNERS AND

5 PUBLIC HOUSING AGENCIES TO BAN GUNS

6 SEC. 222. (a) The United States Housing Act of
7 1937, as amended by section 201, is amended by adding
8 at the end the following new section:

9 **“SEC. 28. AUTHORITY FOR PUBLIC HOUSING AGENCIES**
10 **AND OWNERS AND LESSORS OF ASSISTED**
11 **HOUSING TO BAN GUNS.**

12 “Notwithstanding any State or local law to the con-
13 trary, a public housing agency or other owner or lessor
14 of housing assisted under this Act may utilize leases which
15 ban the possession, use, and discharge of firearms in and
16 around the housing.”.

17 (b) Notwithstanding any State or local law to the con-
18 trary, the owner or lessor of any housing project assisted,
19 or financed with a mortgage insured, under a program of
20 the Secretary of Housing and Urban Development may
21 utilize leases which ban the possession, use, and discharge
22 of firearms in and around the project.

1 MAKE CRIMINAL RECORDS AVAILABLE FOR SCREENING
2 AND EVICTIONS

3 SEC. 223. Section 6 of the United States Housing
4 Act of 1937 is amended by inserting the following new
5 subsection at the end:

6 “(p) Notwithstanding any other provisions of Fed-
7 eral, State, or local law, the National Crime Information
8 Center, police departments, and any other law enforce-
9 ment entities shall provide information to public housing
10 agencies upon request regarding the criminal records of
11 applicants for, or residents of, public housing for the pur-
12 pose of applicant screening, lease enforcement, and evic-
13 tion. An agency may pay a reasonable fee for such infor-
14 mation.”.

15 Subtitle D—Authorizations and Extensions

16 LOW-INCOME HOUSING

17 SEC. 231. (a) AGGREGATE BUDGET AUTHORITY.—
18 Section 5(c)(6) of the United States Housing Act of 1937
19 (42 U.S.C. 1437c(c)(6)) is amended by adding at the end
20 the following new sentence: “The aggregate amount of
21 budget authority that may be obligated for assistance re-
22 ferred to in paragraph (7) is increased (to the extent ap-
23 proved in appropriation Acts) by at least \$14,024,876,000
24 on October 1, 1994, and by at least \$6,388,276,000 on
25 October 1, 1995.”.

1 (b) UTILIZATION OF BUDGET AUTHORITY.—Section
2 5(c)(7) of the United States Housing Act of 1937 (42
3 U.S.C. 1437c(c)(7)) is amended by striking the paragraph
4 designation and all that follows through the end of sub-
5 paragraph (B) and inserting the following:

6 “(7)(A) Using the additional budget authority
7 provided under paragraph (6) and the balances of
8 budget authority that become available during fiscal
9 year 1995, the Secretary shall, to the extent ap-
10 proved in appropriation Acts, reserve authority to
11 enter into obligations aggregating—

12 “(i) for public housing grants under sub-
13 section (a)(2), not more than \$413,000,000, of
14 which amount not more than \$263,000,000
15 shall be available for Indian housing;

16 “(ii) for assistance under section 8, not
17 more than \$2,743,000,000, of which
18 \$514,275,000 shall be available for 15-year
19 contracts for the Community Investment Dem-
20 onstration Program under section 6 of the
21 HUD Demonstration Act of 1993,
22 \$514,275,000 shall be for homeless assistance
23 and \$171,425,000 shall be for assistance for
24 the disabled;

1 “(iii) for modernization grants under sec-
2 tion 14(k), not more than \$2,786,000,000, in-
3 cluding \$15,000,000 for training and technical
4 assistance;

5 “(iv) for assistance under section 8 for
6 loan management, not more than
7 \$150,000,000;

8 “(v) for extensions of contracts expiring
9 under section 8, \$5,092,000,000, which shall be
10 for contracts for assistance under section 8 and
11 vouchers under section 8(o) and for loan man-
12 agement assistance under such section;

13 “(vi) for amendments to contracts under
14 section 8, \$2,202,100,000;

15 “(vii) for adjustments to annual contribu-
16 tions contracts for the costs of providing service
17 coordinators under section 9(a)(1)(b)(2), not
18 more than \$30,000,000;

19 “(viii) for public housing lease adjust-
20 ments, \$21,900,000;

21 “(ix) for assistance under section 18(e) for
22 replacement housing for units demolished or
23 disposed of under section 18, and for eligible
24 tenants where project owners opt out of the sec-
25 tion 8 program, not more than \$82,916,000;

1 “(x) for conversions for leased housing
2 contracts under section 23 of this Act (as in ef-
3 fect immediately before the enactment of the
4 Housing and Community Development Act of
5 1974) to assistance under section 8, not more
6 than \$3,960,000; and

7 “(xi) for grants under section 24 for revi-
8 talization of severely distressed public housing,
9 not more than \$500,000,000.

10 “(B) Using the additional budget authority pro-
11 vided under paragraph (6) and the balances of budg-
12 et authority that become available during fiscal year
13 1996, the Secretary shall, to the extent approved in
14 appropriation Acts, reserve authority to enter into
15 obligations aggregating—

16 “(i) for public housing grants under sub-
17 section (a)(2), not more than \$413,000,000, of
18 which amount not more than \$263,000,000
19 shall be available for Indian housing;

20 “(ii) for assistance under section 8, not
21 more than \$2,811,500,000 of which
22 \$527,175,000 shall be available for 15-year
23 contracts for the Community Investment Dem-
24 onstration program under section 6 of the
25 HUD Demonstration Act of 1993,

1 \$527,175,000 shall be for homeless assistance
2 and \$175,725,000 shall be for assistance for
3 the disabled;

4 “(iii) for modernization grants under sec-
5 tion 14(k), not more than \$2,375,000,000, in-
6 cluding \$15,000,000 for training and technical
7 assistance;

8 “(iv) for assistance under section 8 for
9 loan management, not more than
10 \$150,000,000;

11 “(v) for extensions of contracts expiring
12 under section 8, such sums as may be nec-
13 essary, which shall be for contracts for assist-
14 ance under section 8 and vouchers under sec-
15 tion 8(o) and for loan management assistance
16 under such section;

17 “(vi) for amendments to contracts under
18 section 8, such sums as may be necessary;

19 “(vii) for adjustments to annual contribu-
20 tions contracts for the costs of providing service
21 coordinators under section 9(a)(1)(B)(ii), not
22 more than \$30,000,000;

23 “(viii) for public housing lease adjust-
24 ments, \$21,900,000;

1 “(ix) for assistance under section 18(e) for
 2 replacement housing for units demolished or
 3 disposed of under section 18, and for eligible
 4 tenants where project owners opt out of the
 5 Section 8 program, not more than \$82,916,000;

6 “(x) for conversions from leased housing
 7 contracts under section 23 of this Act (as in ef-
 8 fect immediately before the enactment of the
 9 Housing and Community Development Act of
 10 1974) to assistance under section 8, not more
 11 than \$3,960,000; and

12 “(xi) for grants under section 24 for revi-
 13 talization of severely distressed public housing,
 14 not more than \$500,000,000.”.

15 PUBLIC HOUSING OPERATING SUBSIDIES

16 SEC. 232. Section 9(c) of the United States Housing
 17 Act of 1937 (42 U.S.C. 1437g(c)) is amended—

18 (1) in paragraph (1), by striking “There” and
 19 all that follows and inserting the following new sen-
 20 tence: “There are authorized to be appropriated for
 21 purposes of providing annual contributions under
 22 this section \$2,496,000,000 for fiscal year 1995 and
 23 \$2,376,000,000 for fiscal year 1996.”;

24 (2) in paragraph (2), by striking “1993 and
 25 1994” and inserting “1995 and 1996”; and

1 (3) in paragraph (3), by striking “1993 and
2 1994” and inserting “1995 and 1996”.

3 FAMILY SELF-SUFFICIENCY PROGRAM

4 SEC. 233. The last sentence of section 23(h)(2) of
5 the United States Housing Act of 1937 (42 U.S.C.
6 1437u(h)(2)) is amended to read as follows: “Of amounts
7 appropriated under section 9(c), \$17,300,000 for fiscal
8 year 1995 and \$17,732,000 for fiscal year 1996 are au-
9 thorized to be used for costs under this paragraph.”.

10 PUBLIC HOUSING FAMILY INVESTMENT CENTERS

11 SEC. 234. Section 22(k) of the United States Hous-
12 ing Act of 1937 (42 U.S.C. 1437t(k)) is amended to read
13 as follows:

14 “(k) AUTHORIZATION OF APPROPRIATIONS.—There
15 are authorized to be appropriated to carry out this section
16 \$26,342,000 for fiscal year 1995 and \$27,001,000 for fis-
17 cal year 1996.”.

18 REVISED CONGREGATE SERVICES PROGRAM

19 SEC. 235. Section 802(n)(1) of the Cranston-Gon-
20 zalez National Affordable Housing Act (42 U.S.C.
21 8011(n)(1)) is amended by striking “\$25,000,000”
22 through “1992” and inserting in lieu thereof, “\$6,267,000
23 for fiscal year 1995”.

24 INDIAN HOUSING LOAN GUARANTEE PROGRAM

25 SEC. 236. (a) LIMITATION ON OUTSTANDING AGGRE-
26 GATE PRINCIPAL AMOUNT.—Section 184(i)(5)(C) of the

1 Housing and Community Development Act of 1992 (12
2 U.S.C. 1515z-13a(i)(5)(C)) is amended by striking—

3 (1) “fiscal years 1993 and 1994” and inserting
4 in lieu thereof “fiscal years 1995 and 1996”; and

5 (2) “not exceeding” and all that follows, and in-
6 serting in lieu thereof, “not exceeding \$22,388,000
7 for fiscal year 1995 and \$22,388,000 for fiscal year
8 1996, to the extent provided in appropriation Acts.”.

9 (b) AUTHORIZATION OF APPROPRIATIONS FOR GUAR-
10 ANTEE FUND.—Section 184(i)(7) of the Housing and
11 Community Development Act of 1992 (12 U.S.C. 1515z-
12 13a(i)(7)) is amended to read as follows:

13 “(7) AUTHORIZATION OF APPROPRIATIONS.—
14 There are authorized to be appropriated to the
15 Guarantee Fund to carry out this section
16 \$3,000,000 for fiscal year 1995 and \$3,000,000 for
17 fiscal year 1996.”.

18 Subtitle E—Applicability

19 APPLICABILITY OF PUBLIC HOUSING AMENDMENTS TO
20 INDIAN HOUSING

21 SEC. 241. (a) Section 201(b) of the United States
22 Housing Act of 1937 is amended to read as follows:

23 “(b) APPLICABILITY OF TITLE I.—Except as other-
24 wise provided by law, the provisions of title I shall apply
25 to low-income housing developed or operated pursuant to

1 a contract between the Secretary and an Indian housing
2 authority.”.

3 (b) The amendment made by subsection (a) shall not
4 affect provisions of the United States Housing Act of
5 1937 that were made applicable to public housing devel-
6 oped or operated pursuant to a contract between the Sec-
7 retary of Housing and Urban Development and an Indian
8 housing authority in accordance with section 201(b)(2) of
9 such Act, as it existed before the effective date of this sec-
10 tion.

11 (c) The provisions of section 955(b) of the Cranston-
12 Gonzalez National Affordable Housing Act, sections
13 103(a)(1), 112, 114, 116, 118, 903, and 927 of the Hous-
14 ing and Community Development Act of 1992, and sec-
15 tions 301, 302, 303, and 304 of the Multifamily Housing
16 Property Disposition Reform Act of 1994 shall also apply
17 to public housing developed or operated pursuant to a con-
18 tract between the Secretary of Housing and Urban Devel-
19 opment and an Indian Housing authority.

20 (d) The application of section 955(b) of the Cranston-
21 Gonzalez National Affordable Housing to public housing
22 developed or operated pursuant to a contract between the
23 Secretary of Housing and Urban Development and an In-
24 dian Housing Authority shall apply to any volunteer serv-
25 ices provided before, on, or after the date of enactment

1 of this Act, except that such application may not be con-
 2 strued to require the repayment of any wages paid before
 3 the date of enactment of this Act for services provided be-
 4 fore such date.

5 TITLE III—HOMEOWNERSHIP; FHA MORTGAGE
 6 INSURANCE AUTHORIZATIONS

7 Subtitle A—Expand Single Family Homeownership
 8 Opportunities

9 SINGLE FAMILY MORTGAGE INSURANCE IN
 10 REVITALIZATION AREAS

11 SEC. 301. (a) ESTABLISHMENT OF PROGRAM.—Title
 12 II of the National Housing Act is amended by adding at
 13 the end thereof the following new section:

14 “SINGLE FAMILY MORTGAGE INSURANCE IN
 15 REVITALIZATION AREAS

16 “SEC. 256. (a) GENERAL AUTHORITY.—The Sec-
 17 retary is authorized to insure mortgages in accordance
 18 with the provisions of this section, and to make commit-
 19 ments to insure such mortgages before the date of their
 20 execution or disbursement thereon.

21 “(b) ELIGIBLE MORTGAGORS.—A mortgage may be
 22 insured under this section only with respect to a mortga-
 23 gor who—

24 “(1) has an income not exceeding 115 percent
 25 of the median income for the area, as determined by
 26 the Secretary with adjustments for smaller and larg-

1 er families, except that the Secretary may establish
2 income ceilings higher or lower than 115 percent of
3 the median for the area on the basis of the Sec-
4 retary's findings that such variations are necessary
5 because of prevailing levels of construction costs or
6 unusually high or low family incomes and except
7 that no income ceiling may exceed 140 percent of
8 the median for the area;

9 “(2) is a first-time homebuyer, as defined in
10 section 104(14) of the Cranston-Gonzalez National
11 Affordable Housing Act;

12 “(3) will occupy the dwelling as his or her prin-
13 cipal residence;

14 “(4) has received such pre-purchase counseling
15 as the Secretary deems appropriate with respect to
16 the responsibilities and financial management in-
17 volved in homeownership;

18 “(5) has not previously been a mortgagor under
19 this section;

20 “(6) has assets not exceeding such amount as
21 the Secretary may prescribe; and

22 “(7) meets such other requirements as the Sec-
23 retary may prescribe.

24 “(c) ELIGIBLE MORTGAGES.—A mortgage may be in-
25 sured under this section only if the mortgage—

1 “(1) has been made to, and is held by, a mort-
2 gagee approved by the Secretary as responsible and
3 able to service the mortgage properly;

4 “(2) covers a one-family dwelling (including a
5 one-family unit in a condominium development and
6 shares representing a one-family unit in a coopera-
7 tive development) that is located in a revitalization
8 area which is (A) an empowerment zone or enter-
9 prise community approved under Subchapter U of
10 Chapter 1 of the Internal Revenue Code of 1986, or
11 in an equivalent State-approved enterprise zone, or
12 (B) an urban neighborhood that, in the determina-
13 tion of the Secretary, is targeted by a unit of general
14 local government for revitalization using coordinated
15 affordable housing programs and enhanced support-
16 ive services;

17 “(3) involves a principal obligation (exclusive of
18 any charges and costs in connection with the loan,
19 including initial service charges and appraisal and
20 inspection fees) in an amount not exceeding the less-
21 er of—

22 “(A) \$67,500 or 75 percent of the maxi-
23 mum mortgage amount determined under sec-
24 tion 203(b)(2)(A), whichever is greater; or

1 “(B) 100 percent of the appraised value of
2 the property as of the date the mortgage is ac-
3 cepted for insurance: *Provided*, That in any
4 case where the dwelling is not approved for
5 mortgage insurance before the beginning of
6 construction, the mortgage may not exceed 90
7 percent of the appraised value of the property
8 as of the date the mortgage is accepted for in-
9 surance, unless—

10 “(i) the dwelling was completed more
11 than one year before the application for
12 mortgage insurance;

13 “(ii) the dwelling was approved for
14 guaranty, insurance, or a direct loan under
15 chapter 37 of title 38, United States Code,
16 before the beginning of construction; or

17 “(iii) the dwelling is covered by a
18 consumer protection or warranty plan ac-
19 ceptable to the Secretary and satisfies all
20 requirements that would have been applica-
21 ble if the dwelling had been approved for
22 mortgage insurance before the beginning of
23 construction;

1 “(4) has a maturity satisfactory to the Sec-
2 retary, but not to exceed 30 years from the date of
3 the beginning of amortization of the mortgage;

4 “(5) contains complete amortization provisions
5 satisfactory to the Secretary requiring periodic pay-
6 ments by the mortgagor not in excess of the mortga-
7 gor’s reasonable ability to pay, as determined by the
8 Secretary;

9 “(6) bears interest at such rate as may be
10 agreed upon by the mortgagor and the mortgagee;

11 “(7) provides, in a manner satisfactory to the
12 Secretary, for the application of the mortgagor’s
13 periodic payments (exclusive of the amount allocated
14 to interest and to the premium charge which is re-
15 quired for mortgage insurance as hereinafter pro-
16 vided) to amortization of the principal of the mort-
17 gage;

18 “(8) contains such terms and provisions with
19 respect to insurance, repairs, alterations, payment of
20 taxes, default reserves, delinquency charges, fore-
21 closure proceedings, anticipation of maturity, addi-
22 tional and secondary liens, and other matters as the
23 Secretary may prescribe; and

24 “(9) complies with such other terms and condi-
25 tions as the Secretary may prescribe.

1 “(d) EXPENSES OF MORTGAGOR.—

2 “(1) IN GENERAL.—The mortgagor shall pay
3 all charges and costs in connection with the mort-
4 gage, including any costs necessary to close the
5 mortgage: *Provided*, That some or all of these
6 charges and costs may be paid on behalf of the
7 mortgagor by any person or entity (including the
8 seller, a governmental jurisdiction, or a private non-
9 profit entity), under such terms and conditions as
10 the Secretary may prescribe.

11 “(2) LOAN TO COVER EXPENSES.—Any charges
12 or costs paid on behalf of a mortgagor under para-
13 graph (1) may be in the form of a loan secured by
14 the property under such terms and conditions as the
15 Secretary may prescribe. Any such indebtedness—

16 “(A) shall be a lien subordinate to that of
17 the insured mortgage;

18 “(B) shall not be part of the loan secured
19 by the mortgage insured under this section, and

20 “(C) shall not be considered for purposes
21 of determining the maximum mortgage amount
22 under subsection (c)(3).

23 “(e) MORTGAGE INSURANCE PREMIUM.—

24 “(1) IN GENERAL.—In connection with the in-
25 surance of a mortgage under this section, the Sec-

1 retary shall establish and collect a deferred up-front
 2 premium and an annual premium, as provided in
 3 section 203(c)(2) of this Act and section 2103(b)(2)
 4 of the Omnibus Budget Reconciliation Act of 1990,
 5 except as provided by paragraph (2) of this sub-
 6 section.

7 “(2) PAYMENT OF DEFERRED UP-FRONT PRE-
 8 MIUM.—

9 “(A) IN GENERAL.—The mortgagee shall
 10 pay the amount of the deferred up-front pre-
 11 mium due under subparagraph (B) at the time
 12 of the sale of the property or when the mort-
 13 gage is paid in full, and shall remit the amount
 14 to the Secretary according to such procedures
 15 and at such time as the Secretary may pre-
 16 scribe.

17 “(B) AMOUNT OF PAYMENT.—The amount
 18 of the up-front premium payable to the Sec-
 19 retary under paragraph (2) shall be the lesser
 20 of—

21 “(i) the amount of the premium es-
 22 tablished under paragraph (1), minus any
 23 refund due; and

24 “(ii) 50 percent of the net apprecia-
 25 tion of the property, as determined by the

1 Secretary, if the premium is due because
2 of a sale of the property.

3 “(C) DEFINITION.—For purposes of the
4 subparagraph (B), ‘net appreciation of the
5 property’ means any increase in the value of the
6 property over the original purchase price, less
7 the reasonable costs of sale and the reasonable
8 costs of improvements made to the property.

9 “(3) STREAMLINE REFINANCING.—Notwith-
10 standing paragraph (2), no part of the up-front pre-
11 mium established in connection with a mortgage
12 that was insured under this section and that is refi-
13 nanced under section 223(a)(7) shall be payable
14 under paragraph (2).

15 “(f) DEFINITION.—For purposes of this section, the
16 term ‘appraised value’ means the amount set forth in the
17 written statement required under section 226, or a similar
18 amount determined by the Secretary if section 226 does
19 not apply.

20 “(g) OBLIGATION OF GENERAL INSURANCE FUND.—
21 Any mortgagee under a mortgage insured under this sec-
22 tion is entitled to receive the benefits of the insurance as
23 provided in section 204(a) with respect to mortgages in-
24 sured under section 203, and the provisions of subsections
25 (b), (c), (d), (e), (f), (g), (h), (j), and (k) of section 204

1 shall apply to the mortgages insured under this section,
2 except that—

3 “(1) all references in section 204 to the Mutual
4 Mortgage Insurance Fund or the Fund shall be con-
5 strued to refer to the General Insurance Fund;

6 “(2) all references therein to section 203 shall
7 be construed to refer to this section; and

8 “(3) the excess remaining, referred to in section
9 204(f)(1), shall be retained by the Secretary and
10 credited to the General Insurance Fund.

11 “(h) LIMIT ON INSURED MORTGAGES.—The aggre-
12 gate dollar amount of commitments to insure mortgage
13 under this section for any fiscal year may not exceed 5
14 percent of the amount of commitments to insure mort-
15 gages covering one- to four-family properties that were
16 made by the Secretary under this title during the preced-
17 ing fiscal year. However, the Secretary may make commit-
18 ments to insure mortgages for up to an additional 5 per-
19 cent in the case of properties in empowerment zones or
20 enterprise communities approved under subchapter U of
21 Chapter 1 of the Internal Revenue Code of 1986, or in
22 equivalent State-approved enterprise zones. No more than
23 20 percent of the dwelling units located in a revitalization
24 area may be subject to a mortgage insured under this sec-
25 tion.”.

1 (b) IMPLEMENTATION.—The Secretary shall, by in-
 2 terim rule published for effect in the Federal Register, es-
 3 tablish such requirements as may be necessary to carry
 4 out the provisions of subsection (a). The Secretary shall
 5 issue final regulations based on the interim rule after no-
 6 tice and opportunity for public comment.

7 (c) EVALUATION.—No later than 48 months after the
 8 date of implementation, the Secretary shall evaluate the
 9 program and, if appropriate, recommend to Congress leg-
 10 islation to terminate or improve it.

11 MAXIMUM DOLLAR AMOUNT FOR FHA SINGLE FAMILY
 12 MORTGAGES

13 SEC. 302. Subparagraph (A) of the first sentence of
 14 section 203(b)(2) of the National Housing Act is amended
 15 by striking clause (ii) and all that follows through “1992;”
 16 and inserting in lieu thereof the following—

17 “(ii) 85 percent of the dollar amount
 18 limitation determined under section
 19 305(a)(2) of the Federal Home Loan
 20 Mortgage Corporation Act for a residence
 21 of the applicable size;

22 except that the applicable dollar amount limita-
 23 tion in effect for any area under this subpara-
 24 graph (A) may not be less than the greater of—

25 “(I) the dollar amount limitation
 26 in effect under this section for the

1 area on the date of enactment of the
2 Housing Choice and Community In-
3 vestment Act of 1994; or

4 “(II) the applicable average area
5 purchase price determined under sec-
6 tion 143(e)(2) of the Internal Revenue
7 Code of 1986, adjusted by the Sec-
8 retary to reflect a single amount using
9 purchase prices for residences that
10 have been previously occupied, and for
11 residences that have not been so occu-
12 pied, which amount shall be adjusted
13 by the Secretary annually on the basis
14 of the Constant Quality Housing
15 Price Index;”.

16 STREAMLINED REFINANCING
17 FOR HUD-HELD MORTGAGES

18 SEC. 303. (a) Section 223(a) of the National Housing
19 Act is amended—

20 (1) in paragraph (7), by striking the colon im-
21 mediately preceding the second proviso and all that
22 follows though “and the mortgagee”;

23 (2) by redesignating paragraph (8) as para-
24 graph (9) and inserting the following new paragraph
25 immediately after paragraph (7):

1 “(8) given to refinance a mortgage held by the
2 Secretary, upon such terms and conditions as the
3 Secretary may prescribe, covering property on which
4 there is located a one- to four-family residence, or a
5 one-family unit in a condominium project, which
6 mortgage was formerly insured under this Act and
7 subsequently assigned to the Secretary: *Provided*,
8 That the mortgagor has not previously refinanced a
9 mortgage pursuant to this paragraph: *Provided fur-*
10 *ther*, That the mortgagor has made all payments due
11 under the note secured by the existing mortgage and
12 all payments due under the note for at least the pre-
13 vious six months, or the mortgagor is under a for-
14 bearance agreement and has made all payments due
15 under the notice secured by the existing mortgage
16 for at least the previous six months: *Provided fur-*
17 *ther*, That the principal amount of the refinancing
18 mortgage may not exceed the outstanding principal
19 balance of the existing mortgage by more than addi-
20 tional amounts owed by the mortgagor due to the
21 delinquency and to the receipt of assignment assist-
22 ance under section 230: *Provided further*, That the
23 monthly payment due under the refinancing mort-
24 gage may not exceed the monthly payment due
25 under the existing mortgage: *Provided further*, That

1 the refinancing mortgage may have a term not more
2 than 12 years in excess of the unexpired term of the
3 assigned mortgage: *Provided further*, That the re-
4 financing mortgage may be insured under section
5 203(b) or 221(d)(2) of this Act, at the option of the
6 mortgagee, or under section 234(c) of this Act in the
7 case of a condominium: *Provided further*, That a re-
8 financing mortgage insured under section 221(d)(2)
9 shall involve a principal obligation in an amount not
10 to exceed 50 percent of the applicable dollar limita-
11 tion for a one- to four-family residence under section
12 203(b)(2); or''; and

13 (3) by adding the following new paragraph after
14 paragraph (9), as redesignated by paragraph (2) of
15 this section—

16 “(10) A mortgage of the character described in
17 paragraphs (1) through (6) of this subsection shall
18 have a maturity and a principal obligation not in ex-
19 cess of the maximums prescribed under the applica-
20 ble section or title of this Act, except that in no case
21 may the principal obligation of a mortgage referred
22 to in paragraph (5) of this subsection exceed 90 per-
23 cent of the appraised value of the mortgage prop-
24 erty, and shall bear interest at such rate as may be
25 agreed upon by the mortgagor and the mortgagee.”.

1 (b) The Secretary of Housing and Urban Develop-
2 ment may implement the authority to refinance a mort-
3 gage held by the Secretary under section 223(a)(8) of the
4 National Housing Act, as added by subsection (a) of this
5 section, by notice published in the Federal Register setting
6 forth such requirements as may be necessary.

7 (c) The authority to refinance a mortgage held by the
8 Secretary of Housing and Urban Development under such
9 section 223(a)(8) shall terminate 30 months after the date
10 of enactment of this Act. The total number of mortgages
11 refinanced under such section 223(a)(8) may not exceed
12 20,000.

13 INNOVATIVE AFFORDABLE HOUSING DEMONSTRATIONS

14 SEC. 304. (a) The Secretary of Housing and Urban
15 Development (the “Secretary”) may carry out demonstra-
16 tions which have the potential to increase homeownership
17 opportunities through the insurance under the National
18 Housing Act of alternative mortgage instruments, and
19 through partnerships with the Federal Home Loan Mort-
20 gage Corporation and the Federal National Mortgage As-
21 sociation, with the Federal Home Loan Banks and their
22 members, and with State and local housing finance agen-
23 cies, in connection with meeting their responsibilities to
24 achieve affordable housing goals. These demonstrations
25 may include testing the pricing of different types of in-
26 sured mortgage instruments, partnerships with the Cor-

1 poration, the Association, or the Federal Home Loan
2 Banks under which mortgage insurance provided by the
3 Secretary shall be used as a credit enhancement in connec-
4 tion with their mortgage lending and secondary market
5 activities, and partnership activities to achieve both home-
6 ownership and the stabilization or revitalization of neigh-
7 borhoods or to address special needs.

8 (b) Each demonstration may be approved for a term
9 of up to three years. The term of an insured mortgage
10 or activity may extend beyond the term of the demonstra-
11 tion. The total number of mortgages insured pursuant to
12 demonstrations under this section in any fiscal year may
13 not exceed 10 percent of the number of single family mort-
14 gages insured in the previous fiscal year. The total number
15 of mortgages insured pursuant to any one demonstration
16 in any fiscal year may not exceed 5 percent of the number
17 of single family mortgages insured in the previous fiscal
18 year.

19 (c) The Secretary may waive requirements of the Na-
20 tional Housing Act and any other applicable statutory and
21 regulatory requirements that the Secretary determines are
22 not consistent with the purposes of this section.

23 (d) The general insurance fund created by section
24 519 of the National Housing Act shall be available as a
25 revolving fund for carrying out mortgage insurance dem-

1 onstrations under this section involving alternative mort-
2 gage transactions. The Secretary shall determine the
3 terms and conditions of insurance, notwithstanding any
4 provision of the National Housing Act.

5 (e) In approving a demonstration under this section,
6 the Secretary may establish such requirements as the Sec-
7 retary considers to be appropriate to further its purposes.

8 (f) Each demonstration under this section shall—

9 (1) be approved personally by the Secretary;

10 (2) be consistent with the overall purposes of
11 the program or programs under which the waiver is
12 granted;

13 (3) be evaluated; and

14 (4) be consistent with the Fair Housing Act,
15 title VI of the Civil Rights Act of 1964, section 504
16 of the Rehabilitation Act of 1973, and the Age Dis-
17 crimination Act of 1975.

18 (g) For each demonstration, there shall be prepared
19 an annual progress report. The Secretary shall submit a
20 report to Congress within one year after completion of
21 each demonstration, describing the results of the dem-
22 onstration and making any recommendations for legisla-
23 tion.

1 (h) There is authorized to be appropriated
 2 \$1,000,000 for the evaluation of demonstrations under
 3 this section.

4 (i) The term “alternative mortgage instruments” in-
 5 cludes mortgages within the definition of “alternative
 6 mortgage transaction” in section 803(1) of the Alternative
 7 Mortgages Transaction Party Act of 1982.

8 SINGLE FAMILY RISK-SHARING MORTGAGE INSURANCE
 9 PROGRAM

10 SEC. 305. (a) The National Housing Act is amended
 11 by adding the following new section at the end of title II:
 12 “SINGLE FAMILY RISK-SHARING WITH STATE AND LOCAL
 13 AGENCIES

14 “SEC. 257. (a) AUTHORITY.—Notwithstanding any
 15 other provision of this Act inconsistent with this section,
 16 the Secretary may insure and make commitments to in-
 17 sure under this section mortgages on single family prop-
 18 erties under risk-sharing mortgage insurance programs es-
 19 tablished with one or more State or agencies. Only mort-
 20 gages executed in connection with the acquisition of a sin-
 21 gle family property or for the refinancing of a mortgage
 22 insured under this section shall be eligible. Under these
 23 programs, the Secretary insures a portion of the mortgage
 24 and the State or local agency insures the remainder.

25 “(b) PURPOSES.—The purposes of the program
 26 under this section are (1) to increase the availability of

1 single family mortgage financing in areas where there is
2 need for mortgage insurance under this Act that cannot
3 be met due to particularly high average median house
4 prices in the area, and (2) to foster arrangements with
5 State and local agencies to share the risk of mortgage in-
6 surance.

7 “(c) APPLICATIONS.—(1) The Secretary may approve
8 an application submitted by a State or local agency to es-
9 tablish a risk-sharing program under this section, based
10 on a determination that the State or local agency dem-
11 onstrates that (A) it has the legal authority under State
12 law and, where applicable, local law to participate in the
13 risk-sharing mortgage insurance program; (B) it has car-
14 ried out, or has the potential to carry out, a financially
15 sound, efficient, and effective mortgage insurance pro-
16 gram; and (C) it has the ongoing administrative and fi-
17 nancial capacity necessary to carry out a program under
18 this section.

19 “(2) For a violation of requirements and procedures
20 under the risk-sharing agreement between the State or
21 local agency and the Secretary or for other good cause,
22 the Secretary may cancel approval of a State or local agen-
23 cy under this section by giving notice to the State or local
24 agency. The cancellation shall be effective upon receipt of
25 the notice by the agency or at a later date specified by

1 the Secretary. A decision by the Secretary to cancel ap-
2 proval shall be final and conclusive and shall not be sub-
3 ject to judicial review.

4 “(d) DELEGATION OF AUTHORITY TO INSURE TO
5 STATE AND LOCAL AGENCIES.—Pursuant to a risk-shar-
6 ing agreement with a State or local agency, the Secretary
7 shall delegate the authority to insure and make commit-
8 ments to insure the portion of mortgages to be insured
9 by the Secretary under this section to the State or local
10 agency. The risk-sharing agreement shall contain such
11 other matters as the Secretary and the State or local agen-
12 cy agree.

13 “(e) UNDERWRITING STANDARDS AND LOAN TERMS
14 AND CONDITIONS.—The State or local agency shall adopt
15 underwriting standards and loan terms and conditions for
16 purposes of underwriting loans to be insured under this
17 section without regard to requirements of this Act other
18 than this section, section 203(g), and section 203(r)(2),
19 subject to review and approval by the Secretary.

20 “(f) MORTGAGE INSURANCE PREMIUMS.—(1) The
21 State or local agency shall require the payment of mort-
22 gage insurance premiums by mortgagors.

23 “(2) The Secretary shall establish policies and proce-
24 dures for the sharing of premiums between the Secretary
25 and the State or local agency, based on the relative risk

1 to, and administrative costs of, the Secretary and the
2 State or local agency. The share paid to the Secretary
3 shall not be less than an amount necessary to cover the
4 risk to, and administrative costs of, the Secretary.

5 “(g) LIMITATIONS ON PRINCIPAL MORTGAGE
6 AMOUNT.—(1) The portion of the mortgage insured under
7 this section by the Secretary may not exceed an amount
8 equal to the lesser of (A) 80 percent of the appraised value
9 of the property, or (B) the maximum amount the Sec-
10 retary may insure under section 203(b) of this Act for the
11 area (but not including any amount for a mortgage insur-
12 ance premium).

13 “(2) The total principal amount of a mortgage in-
14 sured under this section by the Secretary and the State
15 or local agency (A) shall exceed the maximum amount the
16 Secretary may insure under subparagraph (A) of the first
17 sentence of section 203(b)(2) of this Act for the area, and
18 (B) may not exceed the conforming loan limitation deter-
19 mined under section 305(a)(2) of the Federal Home Loan
20 Mortgage Corporation Act for a residence of the applicable
21 size, as adjusted annually.

22 “(3) The principal obligation of a mortgage may not
23 exceed an amount determined in accordance with subpara-
24 graph (B) of the first sentence of section 203(b)(2) of this
25 Act plus the mortgage insurance premium.

1 “(4) Notwithstanding paragraph (2)(A) or (3), in the
2 case of refinancing of an existing mortgage insured under
3 this section, the principal obligation of a refinancing mort-
4 gage may not exceed the outstanding principal balance of
5 the existing mortgage plus any mortgage insurance pre-
6 mium.

7 “(h) INSURANCE CLAIMS.—(1) In the case of a de-
8 fault and foreclosure of a mortgage insured under this sec-
9 tion, the mortgagee may file a claim with the State or
10 local agency for insurance benefits in accordance with re-
11 quirements established by the State or local agency and
12 approved by the Secretary. The agency shall pay the full
13 amount of the claim owed to the mortgagee. If the loss
14 on the insured mortgage exceeds the amount of insurance
15 by the agency, the Secretary shall reimburse the agency
16 for the difference.

17 “(2) The insurance of a mortgage under this section
18 by the Secretary shall be an obligation of the General In-
19 surance Fund created pursuant to section 519 of this Act.

20 “(i) INAPPLICABILITY OF THE ASSIGNMENT PRO-
21 GRAM.—Section 230 shall not apply to mortgages insured
22 under the program authorized by this section.

23 “(j) RESTRICTION ON GNMA SECURITIZATION.—
24 The Government National Mortgage Association shall not
25 securitize any loans insured under this section.

1 “(k) DEFINITIONS.—As used in this section:

2 “(1) The term ‘local agency’ shall mean an
3 agency of a unit of general local government, as de-
4 fined by the Secretary, which has the authority to
5 insure mortgages and to participate with the Sec-
6 retary in the single family risk-sharing program
7 under this section, or an agency or instrumentality
8 of a local agency if the agency or instrumentality
9 has such authority.

10 “(2) The term ‘State agency’ shall mean an
11 agency of a State which has the authority to insure
12 mortgages and to participate with the Secretary in
13 the single family risk-sharing program under this
14 section, or an agency or instrumentality of a State
15 agency if the agency or instrumentality has such au-
16 thority.

17 “(3) The term single family property’ means a
18 property upon which there is located a dwelling de-
19 signed principally for occupancy by one family, and
20 includes a condominium and a cooperative.

21 “(4) The term ‘State’ shall mean the several
22 States and Puerto Rico, the District of Columbia,
23 Guam, the Trust Territory of the Pacific Islands,
24 American Samoa, and the Virgin Islands.’’.

1 (b) The Secretary of Housing and Urban Develop-
 2 ment may implement the program authorized by sub-
 3 section (a) by entering into risk-sharing agreements nego-
 4 tiated with State agencies, notwithstanding any otherwise
 5 applicable requirement for regulations or notice published
 6 in the Federal Register and notwithstanding any otherwise
 7 applicable regulations of the Secretary.

8 HOMEOWNERSHIP COUNSELING AND OUTREACH

9 SEC. 306. (a) Section 106(a) of the Housing and
 10 Community Development Act of 1968 is amended—

11 (1) in paragraph (1), by—

12 (A) inserting “or consortia of organiza-
 13 tions” after “organizations”;

14 (B) striking the “and” at the end of clause
 15 (iii);

16 (C) striking the period from the end of
 17 clause (iv) and inserting in lieu thereof “; and”;
 18 and

19 (D) inserting at the end the following new
 20 clause (v):

21 “(v) the provision of outreach activi-
 22 ties designed to improve the access of low-
 23 and moderate-income households to home-
 24 ownership and sources of mortgage cred-
 25 it.”;

1 (2) in the second sentence of paragraph (2),
2 by—

3 (A) striking “clause (iii)” and inserting in
4 lieu thereof “clauses (iii) and (v)”;

5 (B) by inserting after “organizations” the
6 following: “or consortia of organizations”;

7 (3) by inserting at the end the following new
8 paragraph:

9 “(4) the Secretary of Housing and Urban De-
10 velopment may contract with national, State, or
11 community-based entities, and consortia of such en-
12 tities, to carry out activities under paragraph (1)(v).
13 Contractors shall be selected on a competitive basis,
14 in accordance with selection criteria determined by
15 the Secretary. The contractors shall carry out activi-
16 ties prescribed by the Secretary, including activities
17 such as—

18 “(A) leveraging Federal funds with other
19 sources of funding to support activities under
20 its counseling program, including leveraging
21 private, community-based resources for the pur-
22 pose of assisting prospective mortgagors achieve
23 homeownership;

24 “(B) conducting outreach and marketing
25 to prospective homebuyers, particularly those in

1 targeted neighborhoods with a high proportion
2 of low- and moderate-income and minority
3 renter households;

4 “(C) coordinating a proactive pre-purchase
5 homeownership strategy that includes linking
6 other HUD-approved counseling providers and
7 community-based organizations, assisting pro-
8 spective homebuyers to repair credit, educating
9 potential homebuyers on the requirements of
10 homeownership, providing technical assistance,
11 assisting in the packaging of mortgage loan ap-
12 plications, matching a family’s resources with
13 appropriate Government and private sector
14 homeownership assistance programs, and offer-
15 ing post-purchase and default-prevention coun-
16 seling to help homeowners retain their homes;
17 and

18 “(D) serving as an advocate for home-
19 buyers by working with the mortgage lending
20 industry with regard to overcoming mortgage
21 credit barriers to homeownership.”.

22 (b) Section 106(c)(9) of such Act is amended by
23 striking “September 30, 1994” and inserting in lieu there-
24 of “September 30, 1996”.

1 (c) Section 106 of such Act is amended by adding
 2 at the end the following new subsection:

3 “(g) AUTHORIZATION OF APPROPRIATIONS.—There
 4 are authorized to be appropriated for the purposes of this
 5 section, without fiscal year limitation, such sums as may
 6 be necessary, except that there are authorized to be appro-
 7 priated \$50,000,000 for each of fiscal years 1995 and
 8 1996. Any amounts so appropriated shall remain available
 9 until expended.”.

10 (d) Section 106(a)(3) of such Act is hereby repealed.

11 Subtitle C—National Homeownership Fund

12 Demonstration

13 AMENDMENTS TO NAHA

14 SEC. 311. Subtitle A of title III of the Cranston-Gon-
 15 zalez National Affordable Housing Act is amended to read
 16 as follows:

17 “Subtitle A—National Homeownership Fund

18 Demonstration

19 **“SEC. 301. SHORT TITLE.**

20 “This subtitle may be cited as the ‘National Home-
 21 ownership Fund Demonstration Act’.

22 **“SEC. 302. PROGRAM AUTHORITY.**

23 “(a) IN GENERAL.—The Secretary may provide as-
 24 sistance, in accordance with the provisions of this subtitle,
 25 for first-time homebuyers (including homebuyers buying

1 shares in limited equity cooperatives) in the following
2 manners:

3 “(1) DOWNPAYMENT ASSISTANCE.—Assistance
4 payments through grantees to provide amounts for
5 downpayments (including closing costs and other
6 costs payable at the time of closing) on mortgages
7 for such homebuyers.

8 “(2) SECOND MORTGAGE ASSISTANCE.—Assist-
9 ance payments through grantees to provide loans
10 with payment of interest and principal, as deter-
11 mined by the grantee.

12 “(3) CAPITALIZATION OF REVOLVING LOAN
13 FUNDS.—Grants to public organizations or agencies
14 to establish revolving loan funds to provide home-
15 ownership assistance to eligible first-time home-
16 buyers consistent with the requirements of this sub-
17 title. Such grants shall be matched by an equal
18 amount of local investment in such revolving loan
19 funds. Any proceeds or repayments from loans made
20 under this paragraph shall be returned to the revolv-
21 ing loan fund established under this paragraph to be
22 used for purposes related to this section.

23 “(b) ELIGIBILITY REQUIREMENTS.—Assistance pay-
24 ments under this subtitle may be made only to homebuyers
25 and for mortgages meeting the following requirements:

1 “(1) FIRST-TIME HOMEBUYER.—The home-
2 buyer is an individual who—

3 “(A)(i) (and whose spouse) has had no
4 ownership in a principal residence during the 3-
5 year period ending on the date of purchase of
6 the property with respect to which assistance
7 payments are made under this subtitle;

8 “(ii) is a displaced homemaker who, except
9 for owning a home with his or her spouse or re-
10 siding in a home owned by the spouse, meets
11 the requirements of clause (i); or

12 “(iii) is a single parent who, except for
13 owning a home with his or her spouse or resid-
14 ing in a home owned by the spouse while mar-
15 ried, meets the requirements of clause (i); and

16 “(B) meets the requirements of subpara-
17 graph (A) (i), (ii), or (iii), except for owning, as
18 a principal residence, a dwelling unit whose
19 structure is not permanently affixed to a per-
20 manent foundation in accordance with local or
21 other applicable regulations.

22 “(2) MAXIMUM INCOME OF HOMEBUYER.—The
23 aggregate annual income of the homebuyer and the
24 members of the family of the homebuyer residing
25 with the homebuyer, for the 12-month period preced-

1 ing the date of the application of the homebuyer for
2 assistance under this subtitle, does not exceed 80
3 percent of the median income for a family of 4 per-
4 sons (adjusted by family size) in the applicable met-
5 ropolitan statistical area (or such other area that the
6 Secretary determines for areas outside of metropoli-
7 tan statistical areas). The Secretary shall provide for
8 certification of such income for purposes of initial
9 eligibility for assistance payments under this sub-
10 title.

11 “(3) PRINCIPAL RESIDENCE.—The property se-
12 curing the mortgage is a single-family residence or
13 unit in a cooperative or condominium and is the
14 principal residence of the homebuyer.

15 “(4) MAXIMUM MORTGAGE AMOUNT.—The
16 principal obligation of the first mortgage and any
17 second mortgage assistance provided under this sub-
18 title does not exceed the principal amount that could
19 be insured with respect to the property under section
20 203(b) of the National Housing Act.

21 “(c) TERMS OF ASSISTANCE.—

22 “(1) SECURITY.—Assistance payments under
23 this subtitle shall be secured by a lien on the prop-
24 erty involved. The lien shall be subordinate to all

1 mortgages existing on the property on the date on
2 which the first assistance payment is made.

3 “(2) REPAYMENT IF PROPERTY CEASES TO BE
4 PRINCIPAL RESIDENCE.—If the property for which
5 assistance payments are made ceases to be the prin-
6 cipal residence of the first-time homebuyer (or the
7 family of the homebuyer), during a time period spec-
8 ified by the Secretary or the grantee, whichever is
9 longer, the Secretary may provide for the repayment
10 of all or a portion of the assistance payments.

11 “(d) ALLOCATION.—

12 “(1) IN GENERAL.—Each applicant shall sub-
13 mit an application in such form and in accordance
14 with such procedures as the Secretary shall estab-
15 lish.

16 “(2) MINIMUM REQUIREMENTS.—An applica-
17 tion under this section shall contain a plan that de-
18 scribes how the applicant will achieve the objectives
19 of this subtitle. The application shall contain at a
20 minimum—

21 “(A) a description of the geographic area
22 to be covered;

23 “(B) the characteristics of the households
24 to be served;

1 “(C) a description and commitment of
2 other public and private resources available in
3 connection with assistance under this subtitle;

4 “(D) a description of any secondary mar-
5 ket involvement and commitment;

6 “(E) a description and commitment of any
7 non-traditional capital resources;

8 “(F) provision of housing counseling as-
9 sistance available to assist borrowers;

10 “(G) a description of any restrictions on
11 resale and profits;

12 “(H) a description of resources available to
13 undertake rehabilitation of properties when
14 needed;

15 “(I) the process for award and disburse-
16 ment of funds to borrowers; and

17 “(J) the past history of the applicant in
18 undertaking similar projects.

19 “(3) SELECTION.—Amounts available in any
20 fiscal year for assistance under this subtitle shall be
21 allocated to States (including State agencies) or non-
22 profit housing intermediaries for homebuyers
23 through a national competition in accordance with
24 criteria established by the Secretary. These criteria
25 shall include the extent to which the applicant has

1 experience in providing homeownership opportunities
2 for low- and moderate-income households.

3 **“SEC. 303. DEFINITIONS.**

4 “For purposes of this subtitle:

5 “(1) DISPLACED HOMEMAKER.—The term ‘dis-
6 placed homemaker’ means an individual who—

7 “(A) is an adult;

8 “(B) has not worked full-time full-year in
9 the labor force for a number of years, but has
10 during such years, worked primarily without re-
11 muneration to care for the home and family;
12 and

13 “(C) is unemployed or underemployed and
14 is experiencing difficulty in obtaining or up-
15 grading employment.

16 “(2) SINGLE PARENT.—The term ‘single par-
17 ent’ means an individual who—

18 “(A) is unmarried or legally separated
19 from a spouse; and

20 “(B)(i) has 1 or more minor children for
21 whom the individual has custody or joint cus-
22 tody; or

23 “(ii) is pregnant.

24 “(3) SECRETARY.—The term ‘Secretary’ means
25 the Secretary of Housing and Urban Development.

1 “(4) STATE.—The term ‘State’ means the
 2 States of the United States, the District of Colum-
 3 bia, the Commonwealth of Puerto Rico, the Com-
 4 monwealth of the Northern Mariana Islands, Guam,
 5 the Virgin Islands, American Samoa, the Trust Ter-
 6 ritory of the Pacific Islands, and any other territory
 7 or possession of the United States.

8 **“SEC. 304. REPORT.**

9 “The Secretary shall submit to the Congress, not
 10 later than 6 months following the last obligation of assist-
 11 ance by grantees under this subtitle, a report containing
 12 a description of the activities carried out under this sub-
 13 title and an analysis of the effectiveness of such assistance
 14 in assisting first-time homebuyers.

15 **“SEC. 305. AUTHORIZATION OF APPROPRIATIONS.**

16 “There are authorized to be appropriated for assist-
 17 ance payments under this subtitle \$100,000,000 for fiscal
 18 year 1995 and such sums as may be necessary for fiscal
 19 year 1996. Any amount appropriated under this section
 20 shall remain available until expended.”.

21 Subtitle C—Authorizations

22 FLEXIBLE SUBSIDY PROGRAM

23 SEC. 321. (a) AUTHORIZATION OF APPROPRIA-
 24 TIONS.—Section 201(j)(5) of the Housing and Community

1 Development Amendments of 1978 (12 U.S.C. 1715z–
2 1a(j)(5)) is amended to read as follows:

3 “(5) There are authorized to be appropriated
4 for assistance under the flexible subsidy fund not to
5 exceed \$50,000,000 for fiscal year 1995 and not to
6 exceed \$50,000,000 for fiscal year 1996.”.

7 (b) USE OF SECTION 236 RENTAL ASSISTANCE
8 FUND AMOUNTS.—Section 236(f)(3) of the National
9 Housing Act (12 U.S.C. 1715z–1(f)(3)) is amended by
10 striking “September 30, 1994” and inserting “September
11 30, 1996”.

12 SERVICE COORDINATORS IN MULTIFAMILY HOUSING

13 SEC. 322. There are authorized to be appropriated
14 for assistance for service coordinators under section 676
15 of the Housing and Community Development Act of 1992,
16 section 8(d)(2)(F)(i) of the United States Housing Act of
17 1937, section 202 of the Housing Act of 1959, and section
18 811 of the Cranston-Gonzalez National Affordable Hous-
19 ing Act, \$16,300,000 for fiscal year 1995 and
20 \$16,700,000 for fiscal year 1996.

21 LIMITATION ON GNMA GUARANTEES FOR MORTGAGE-
22 BACKED SECURITIES

23 SEC. 323. Section 306(g)(2) of the Federal National
24 Mortgage Association Charter Act (12 U.S.C. 1721(g)(2))
25 is amended to read as follows:

1 “(2) Notwithstanding any other provision of
2 law and subject only to the absence of qualified re-
3 quests for guarantees, to the authority provided in
4 this subsection, and to the extent of or in such
5 amounts as any funding limitation approved in ap-
6 propriation Acts, the Association shall enter into
7 commitments to issue guarantees under this sub-
8 section in an aggregate amount of \$130,000,000,000
9 during fiscal year 1995 and \$130,000,000,000 dur-
10 ing fiscal year 1996. There is authorized to be ap-
11 propriated such sums as may be necessary to cover
12 the costs (as such term is defined in section 502 of
13 the Congressional Budget Act of 1974) of guaran-
14 tees issued under this Act by the Association.”.

15 LIMITATION ON FHA INSURING AUTHORITY

16 SEC. 324. Section 531(b) of the National Housing
17 Act (12 U.S.C. 1735f-9(b)) is amended to read as follows:

18 “(b) Notwithstanding any other provision of law and
19 subject only to the absence of qualified requests for insur-
20 ance, to the authority provided in this Act, and to the limi-
21 tation in subsection (a), the Secretary shall enter into
22 commitments to insure mortgages under this Act with an
23 aggregate principal amount of \$104,666,794,000 during
24 fiscal year 1995 and \$91,037,845,000 during fiscal year
25 1996.”.

1 TITLE IV—ECONOMIC OPPORTUNITY;
2 EXPANSION OF AFFORDABLE HOUSING

3 Subtitle A—Economic Opportunity Economic
4 Opportunities for Residents in HUD-assisted Programs

5 SEC. 401. Section 3 of the Housing and Urban Devel-
6 opment Act of 1968 is amended—

7 (1) in subsection (c)(1)(B)(i), by inserting “,
8 and to noncustodial parents of children living in
9 such developments and subject to court-ordered or
10 administratively-ordered support agreements” before
11 the period;

12 (2) by adding at the end of subsection (c) the
13 following new paragraph (3):

14 “(3) ESTABLISHMENT OF ECONOMIC OPPOR-
15 TUNITY CENTERS.—

16 “(A) IN GENERAL.—The Secretary shall
17 establish Economic Opportunity Centers, to
18 provide services which will link low-income resi-
19 dents with jobs generated by housing and com-
20 munity development assistance.

21 “(B) ELIGIBLE GRANTEES.—The Sec-
22 retary may make grants to State or local gov-
23 ernments or their agencies, public housing
24 agencies, including Indian housing authorities,
25 public or private non-profit organizations or in-

stitutions (including community action agencies), or other public or private entities—

“(i) which are carrying out training, employment development, education, or other economic development activities in communities which receive housing and community development assistance;

“(ii) which provide housing, neighborhood revitalization, community organizing, income support or crime prevention programs to low- and very low-income persons in communities which receive housing and community development assistance; or

“(iii) which are administering housing or community development programs which generate a significant number of employment opportunities.

For fiscal year 1995, the Secretary may make grants under this paragraph only to public housing agencies, including Indian housing authorities.

“(C) SELECTION CRITERIA.—The Secretary shall select grantees on a competitive basis, taking into account the demonstrated ability of the applicants to—

1 “(i) assess training and support serv-
2 ice needs;

3 “(ii) develop or provide employment
4 development skills to low-income persons;

5 “(iii) coordinate and utilize existing
6 public and private training, employment,
7 and business assistance funds or services;

8 “(iv) establish or maintain working
9 relationships with unions or other con-
10 struction trade associations, and public
11 and private employers; and

12 “(v) perform such other functions as
13 the Secretary may approve.

14 “(D) ELIGIBLE ACTIVITIES.—Amounts re-
15 ceived for the operation of Economic Oppor-
16 tunity Centers may be used for financial and
17 other assistance to individual residents to facili-
18 tate their participation in both existing and
19 newly created job training programs and em-
20 ployment opportunities. The agency may engage
21 in activities such as developing facilities for
22 training and support services; assessing training
23 and service needs of public housing residents;
24 funding essential training and support services
25 that are not otherwise funded; establishing a

1 job bank of positions in connection with pro-
2 grams subject to this section; assisting contrac-
3 tors, contractor associations, and joint labor-
4 management committees to develop and fund
5 training and apprenticeship initiatives and pro-
6 grams; training and funding resident councils,
7 resident management corporations, neighbor-
8 hood groups, and community-based organiza-
9 tions to provide information about the require-
10 ments of this section and economic opportuni-
11 ties; funding the start-up costs of businesses;
12 providing links with related government and
13 private programs; and such other activities as
14 the Secretary may approve.

15 “(E) AUTHORIZATION OF APPROPRIA-
16 TIONS.—There are authorized to be appro-
17 priated for grants to carry out this paragraph,
18 \$17,500,000 for fiscal year 1995 and such
19 sums as may be necessary for fiscal year
20 1996.”; and

21 (3) by adding at the end the following new sub-
22 sections:

23 “(h) AUTHORIZATION OF APPROPRIATIONS.—There
24 are authorized to be appropriated—

“(1) \$4,000,000 in fiscal year 1995 and such sums as may be necessary in fiscal year 1996 for the Secretary to establish and sustain employment training and business initiatives under this section with other Federal agencies, through interagency agreements providing for the transfer of amounts appropriated under this paragraph to other Federal agencies; and

9 “(2) \$3,500,000 in fiscal year 1995 and such
10 sums as may be necessary in fiscal year 1996 for the
11 Secretary to carry out a management and technical
12 assistance program for the development of materials,
13 systems, services, and information designed to en-
14 hance (A) the capacity of the Secretary to manage
15 activities under this section; and (B) the capacity of
16 public housing agencies, contractors, and other enti-
17 ties to comply with the requirements of this section.

18 “(i) OTHER RESOURCES.—The Secretary may permit
19 expenditure of funds appropriated for programs subject to
20 this section for job-related activities necessary to imple-
21 ment this section, including but not limited to training,
22 supervision of trainees, and job recruitment.”.

23 RESIDENT MANAGEMENT/TENANT OPPORTUNITY
24 PROGRAM

25 SEC. 402. Section 20 of the United States Housing
26 Act of 1937 is amended—

1 (1) by striking the section heading and insert-
2 ing in lieu thereof: “TENANT OPPORTUNITY PRO-
3 GRAM”;

4 (2) in the first two sentences of subsection (b),
5 by striking “resident management program” the two
6 places it appears and inserting “tenant opportunity
7 program”;

8 (3) in subsection (f)—

9 (A) by striking the subsection caption and
10 inserting in lieu thereof: “Tenant Opportunity
11 Assistance”;

12 (B) in paragraph (1), by adding the follow-
13 ing new sentences at the end: “In addition, the
14 Secretary may provide financial assistance to
15 resident management corporations or resident
16 councils for activities sponsored by resident or-
17 ganizations for economic uplift, such as job
18 training, economic development, security, and
19 other self-sufficiency activities beyond those re-
20 lated to the management of public housing.
21 Resident councils or resident management cor-
22 porations may jointly apply for financial assist-
23 ance with public housing agencies.”;

24 (C) in paragraph (2), by striking
25 “\$100,000” and inserting “\$250,000”;

1 (D) by inserting at the end the following
2 new paragraph:

3 “(5) 10 PERCENT SET-ASIDE.—The Secretary
4 may use up to 10 percent of the amounts appro-
5 priated under paragraph (3) to enter into contracts
6 with (A) various entities for monitoring, evaluation,
7 technical assistance, and information dissemination
8 in connection with activities under this subsection;
9 and (B) public housing agencies, resident organiza-
10 tions, and public or private entities for innovative
11 public/private initiatives that support the economic
12 development and increased self-sufficiency of public
13 housing residents. Eligible activities related to eco-
14 nomic development and self-sufficiency may include
15 such programs as counseling, treatment for sub-
16 stance abuse, child care, remedial education, job
17 training, and development of resident businesses.”;
18 and

19 (E) Paragraph (3) is amended to read as
20 follows:

21 “(3) FUNDING.—Of any amounts made avail-
22 able for financial assistance under section 14, the
23 Secretary may use to carry out this subsection
24 \$85,000,000 for fiscal year 1995 and such sums as
25 may be necessary for fiscal year 1996.”.

1 Subtitle B—Section 8 Initiatives

2 CHOICE IN RESIDENCY

3 SEC. 411. (a) Section 8(o) of the United States Hous-
4 ing Act of 1937, as amended by section 412 of this Act,
5 is further amended by adding the following new paragraph
6 at the end:

7 “(16)(A) The Secretary may make grants to
8 public housing agencies and nonprofit organizations
9 for the purpose of providing counseling to applicants
10 for and recipients of tenant-based assistance. The
11 counseling shall be designed to enable families to se-
12 lect units in areas without high concentrations of
13 persons living in poverty, as determined by the Sec-
14 retary. Eligible activities may include activities such
15 as—

16 “(i) advising families on strategies for ob-
17 taining appropriate housing;

18 “(ii) providing transportation assistance
19 and other services to give families access to
20 areas without high concentrations of persons
21 living in poverty;

22 “(iii) continuing advice and counseling to
23 assist families after moving to areas without
24 high concentrations of persons living in poverty;
25 and

1 “(iv) undertaking aggressive outreach to
2 potential owners to expand the availability of
3 housing in areas without high concentrations of
4 persons living in poverty.

5 “(B) The Secretary may invite public housing
6 agencies to apply for grants under this paragraph.
7 In addition, the Secretary may select, on a competi-
8 tive basis, public housing agencies and nonprofit or-
9 ganizations for grants under this paragraph. In
10 making funding decisions, the Secretary may take
11 into account evidence in the application of commit-
12 ments of non-Federal assistance to be used in sup-
13 port of the proposed counseling program.

14 “(C) The Secretary may take failure by a public
15 housing agency to apply for a grant under this para-
16 graph and the effectiveness of an agency’s program
17 into account in determining amount of future fund-
18 ing under this subsection.

19 “(D) The budget authority available under sec-
20 tion 5(c) of this Act for tenant-based assistance
21 under this section is authorized to be increased by
22 \$149,100,000, on or after October 1, 1995, and by
23 \$152,900,000, on or after October 1, 1986, for
24 grants under this paragraph.”.

1 (b) The amendment made by subsection (a) shall
2 apply to assistance under contract on the date of enact-
3 ment of this Act as well as to assistance placed under con-
4 tract after the date of enactment.

5 MERGER OF THE CERTIFICATE AND VOUCHER PROGRAMS

6 SEC. 412. (a) MERGER OF CERTIFICATE AND
7 VOUCHER PROGRAMS.—Section 8(o) of the United States
8 Housing Act of 1937 is amended to read as follows:

9 “(o) CERTIFICATE PROGRAM.—(1) The Secretary
10 may provide assistance for tenant-based assistance using
11 a payment standard in accordance with this subsection.
12 The payment standard shall be used to determine the
13 monthly assistance which may be paid for any family, as
14 provided in paragraph (2) of this subsection, and shall not
15 exceed the fair market rental established under subsection
16 (c). However, the payment standard for a designated part
17 of the market area may exceed the fair market rental by
18 not more than 20 percent, where the Secretary determines
19 that higher market rents in that part of the market area
20 justify a higher payment standard. The Secretary may re-
21 quire a public housing agency to submit proposed payment
22 standards to the Secretary for approval.

23 “(2)(A) For a family receiving tenant-based assist-
24 ance, where the rent (including the amount allowed for
25 tenant-paid utilities) does not exceed the payment stand-
26 ard, the monthly assistance payment shall be the amount

1 by which the rent exceeds the highest of the following
2 amounts, rounded to the nearest dollar:

3 “(i) 30 percent of the family’s monthly adjusted
4 income.

5 “(ii) 10 percent of the family’s monthly income.

6 “(iii) If the family is receiving payments for
7 welfare assistance from a public agency and a part
8 of such payments, adjusted in accordance with the
9 family’s actual housing costs, is specifically des-
10 ignated by such agency to meet the family’s housing
11 costs, the portion of such payments which is so des-
12 ignated.

13 “(B) For a family receiving tenant-based assistance,
14 where the rent (including the amount allowed for tenant-
15 paid utilities) exceeds the payment standard, the monthly
16 assistance payment shall be the amount by which the ap-
17 plicable payment standard exceeds the highest of the fol-
18 lowing amounts, rounded to the nearest dollar:

19 “(i) 30 percent of the family’s monthly adjusted
20 income.

21 “(ii) 10 percent of the family’s monthly income.

22 “(iii) If the family is receiving payments for
23 welfare assistance from a public agency and a part
24 of such payments, adjusted in accordance with the
25 family’s actual housing costs, is specifically des-

1 ignated by such agency to meet the family's housing
2 costs, the portion of such payments which is so des-
3 ignated.

4 “(C) For a family receiving project-based assistance,
5 the rent the family is required to pay shall be determined
6 in accordance with section 3(a)(1) and the amount of the
7 housing assistance payment shall be determined in accord-
8 ance with subsection (c)(3).

9 “(3) At the time a family initially receives tenant-
10 based assistance with respect to any unit, the total amount
11 a family may pay towards rent may not exceed 40 percent
12 of the family's monthly adjusted income.

13 “(4) At the time a family initially receives assistance
14 under the certificate program, a family shall qualify as—

15 “(A) a very low-income family,

16 “(B) a family previously assisted under this
17 Act, or

18 “(C) a low-income family that meets eligibility
19 criteria specified by the Secretary.

20 “(5) Reviews of family income shall be made at least
21 annually.

22 “(6)(A) In selecting families to be assisted, pref-
23 erence shall be given to families which, at the time they
24 are seeking assistance, (i) occupy substandard housing
25 (including families that are homeless or living in a shelter

1 for homeless families), (ii) are involuntarily displaced, or
2 (iii) are paying more than 50 percent of family income
3 for rent;

4 “(B) A public housing agency may provide for cir-
5 cumstances in which families who do not qualify for any
6 preference established in subparagraph (A) are provided
7 assistance under this subsection before families who do
8 qualify for such preference. However, not more than 10
9 percent in the case of tenant-based assistance and not
10 more than 30 percent in the case of project-based assist-
11 ance (or such higher percentage, in either case, deter-
12 mined by the Secretary to be necessary or appropriate)
13 of the families who initially receive assistance in any 1-
14 year period may be families who do not qualify for such
15 preference. The public housing agency shall, in implement-
16 ing the preceding sentence, establish a system of pref-
17 erences in writing and after public hearing to respond to
18 local housing needs and priorities which may include—

19 “(i) assisting very low-income families who ei-
20 ther reside in transitional housing assisted under
21 title IV of the Stewart B. McKinney Homeless As-
22 sistance Act, or participate in a program designed to
23 provide public assistance recipients with greater ac-
24 cess to employment and educational opportunities;

1 “(ii) assisting families identified by local public
2 agencies involved in providing for the welfare of chil-
3 dren as having a lack of adequate housing that is a
4 primary factor in the imminent placement of a child
5 in foster care, or in preventing the discharge of a
6 child from foster care and reunification with his or
7 her family;

8 “(iii) assisting youth, upon discharge from fos-
9 ter care, in cases in which return to the family or
10 extended family or adoption is not available;

11 “(iv) assisting veterans who will use the assist-
12 ance for a dwelling unit designed for the handi-
13 capped, and, upon discharge or eligibility for dis-
14 charge from a hospital or nursing home, have a
15 physical disability which, because of the configura-
16 tion of their homes, prevents them from access to or
17 use of their homes, and

18 “(v) achieving other objectives of national hous-
19 ing policy as affirmed by Congress.

20 “(C) Any individual or family evicted from housing
21 assisted under the Act by reason of drug-related criminal
22 activity (as defined in subsection (f)(5)) shall not be eligi-
23 ble for a preference under any provision of this subpara-
24 graph for 3 years unless the evicted tenant successfully
25 completes a rehabilitation program approved by the Sec-

1 retary (which shall include waiver for any member of a
2 family of an individual prohibited from tenancy under this
3 clause who the agency determines clearly did not partici-
4 pate in and had no knowledge of such criminal activity
5 or when circumstances leading to eviction no longer exist).

6 “(7) The Secretary shall require, for any unit, that—

7 “(A) the public housing agency inspect the unit
8 before any assistance payment may be made to de-
9 termine that the unit meets housing quality stand-
10 ards for decent, safe, and sanitary housing estab-
11 lished by the Secretary for the purpose of this sec-
12 tion; and

13 “(B) the public housing agency make annual or
14 more frequent inspections during the contract term.
15 No assistance payment may be made for a dwelling unit
16 which fails to meet such quality standards, unless any
17 such failure is promptly corrected by the owner and the
18 correction is verified by the public housing agency.

19 “(8) If a family vacates a dwelling unit, no assistance
20 payment may be made for the unit after the month during
21 which the unit was vacated.

22 “(9) A public housing agency may adjust its payment
23 standard under this subsection where necessary to assure
24 continued affordability for families receiving tenant-based
25 assistance.

1 “(10) The Secretary may set aside up to 5 percent
2 of the budget authority available under this subsection as
3 an adjustment pool. The Secretary shall use amounts in
4 the adjustment pool for adjustments pursuant to para-
5 graph (9) to ensure continued affordability where the Sec-
6 retary determines additional assistance for this purpose is
7 necessary, based on documentation submitted by a public
8 housing agency.

9 “(11)(A) The rent for units assisted under this sub-
10 section shall be reasonable in comparison with rents
11 charged for comparable units in the private, unassisted
12 market.

13 “(B) A public housing agency shall, at the request
14 of a family receiving tenant-based assistance under this
15 subsection, assist such family in negotiating a reasonable
16 rent with an owner. A public housing agency shall review
17 the rent for a unit under consideration by the family (and
18 all rent increases for units under lease by the family) to
19 determine whether the rent (or rent increase) requested
20 by an owner is reasonable. If a public housing agency de-
21 termines that the rent (or rent increase) for a unit is not
22 reasonable, the agency shall disapprove a lease for such
23 unit.

24 “(C) If units assisted under this subsection are ex-
25 empt from local rent control while they are so assisted,

1 the rent for such units shall be reasonable in comparison
2 with other units in the market area that are exempt from
3 local rent control.

4 “(12)(A) A public housing agency may make assist-
5 ance payments on behalf of a family which utilizes a man-
6 ufactured home as its principal place of residence. Such
7 payments may be made for the rental of the real property
8 on which there is located a manufactured home which is
9 owned by any such family.

10 “(B)(i) For assistance pursuant to this paragraph,
11 the rent for the space on which a manufactured home is
12 located and with respect to which assistance payments are
13 to be made includes maintenance and management
14 charges and tenant-paid utilities.

15 “(ii) The public housing agency shall establish a pay-
16 ment standard for the purpose of determining the monthly
17 assistance which may be paid for any family under this
18 paragraph. The payment standard may not exceed an
19 amount approved or established by the Secretary.

20 “(iii) The monthly assistance payment for assistance
21 under this paragraph shall be determined in accordance
22 with paragraph (2).

23 “(13)(A) Where the Secretary enters into an annual
24 contributions contract with a public housing agency pursu-
25 ant to which the agency will enter into a contract for as-

1 sistance payments with respect to an existing structure
2 under this subsection, the contract for assistance pay-
3 ments may not be attached to the structure unless the
4 owner agrees to rehabilitate or newly construct the struc-
5 ture other than with assistance under this Act and other-
6 wise complies with the requirements of this section. The
7 public housing agency may approve such attachment for
8 up to 15 percent of the funding available for tenant-based
9 assistance administered by the agency under this section.

10 “(B) Notwithstanding any other provision of this sec-
11 tion, a public housing agency and an applicable State
12 agency may, on a priority basis, attach to structures not
13 more than an additional 15 percent of the assistance only
14 with respect to projects assisted under a State program
15 that permits the owner of the projects to prepay a State-
16 assisted or State-subsidized mortgage on the structure.
17 However, the attachment of assistance under this sub-
18 paragraph shall be for the purpose of—

19 “(i) providing incentives to owners to preserve
20 such projects for occupancy by low- and moderate-
21 income families (for the period that assistance under
22 this sentence is available), and

23 “(ii) to assist low-income families to afford any
24 increases in rent that may be required to induce the

1 owner to maintain occupancy in the project by low-
2 and moderate-income families.

3 “(C) Any assistance provided to low-income families
4 under subparagraph (B) shall not be considered for pur-
5 poses of the limitation under paragraph (6) regarding the
6 percentage of families that may receive assistance under
7 this section who do not qualify for preferences under that
8 paragraph.

9 “(D) In the case of a contract for assistance pay-
10 ments that is attached to a structure under this para-
11 graph, a public housing agency shall enter into a contract
12 with an owner, contingent upon the future availability of
13 appropriations for the purpose of renewing expiring con-
14 tracts for assistance payments as provided in appropria-
15 tions Acts, to extend the term of the underlying contract
16 for assistance payments for such period or periods as the
17 Secretary determines to be appropriate to achieve long-
18 term affordability of the housing. The contract shall obli-
19 gate the owner to have such extensions of the underlying
20 contract for assistance payments accepted by the owner
21 and the owner’s successors in interest. To the extent as-
22 sistance is used as provided in the second sentence of sub-
23 paragraph (B), the contract for assistance may, at the op-
24 tion of the public housing agency, have an initial term not
25 exceeding 15 years.

1 “(E) The Secretary shall annually survey public
2 housing agencies to determine which public housing agen-
3 cies have, in providing assistance in such year, reached
4 the 15 percent limitations contained in subparagraphs (A)
5 and (B), and shall report to the Congress on the results
6 of the survey.

7 “(F) For project-based assistance under this para-
8 graph, assistance contracts shall establish rents, and pro-
9 vide for rent adjustments, in accordance with subsection
10 (c).

11 “(14) A family may lease a unit, other than a public
12 housing unit, from the public housing agency with assist-
13 ance under this subsection. The Secretary may establish
14 appropriate program requirements for units owned by the
15 public housing agency, including requirements for HUD
16 approval of initial rents, rent adjustments, and adminis-
17 trative fees, taking into account that the agency admin-
18 istering the assistance is also the owner of the assisted
19 unit.

20 “(15) Subsection (c) shall not apply to tenant-based
21 assistance under this subsection.”.

22 (b) PORTABILITY.—Section 8(r) of such Act is
23 amended—

24 (1) in each paragraphs (1) and (3), by striking
25 “subsection (b) or”;

1 (2) in paragraph (3), by inserting at the end
 2 the following new sentence: “The Secretary may re-
 3 serve amounts available for assistance under sub-
 4 section (o) to compensate public housing agencies
 5 which issue certificates to families that move into
 6 the jurisdiction of the agency under portability pro-
 7 cedures.”; and

8 (3) by adding the following new paragraph at
 9 the end:

10 “(5) A family may not receive a certificate from
 11 an agency and move to another jurisdiction under
 12 the tenant-based assistance program, if the family
 13 has moved out of its assisted unit in violation of its
 14 lease.”.

15 (c) REPEAL OF REQUIREMENT THAT OWNERS OF
 16 MULTIFAMILY HOUSING PROJECTS LEASE TO CERTIFI-
 17 CATE AND VOUCHER HOLDERS.—Section 8(t) of such Act
 18 is hereby repealed.

19 (d) HOMEOWNERSHIP OPTION.—Section 8(y) of such
 20 Act is amended—

21 (1) in paragraph (1)(A), by inserting before the
 22 semicolon “or owns or is acquiring shares in a coop-
 23 erative”;

24 (2) in paragraph (1)(B)(i), by inserting before
 25 the semicolon “and demonstrates to the public hous-

1 ing agency that it has sufficient resources for home-
2 ownership”; and

3 (3) by amending paragraph (2)(A) to read as
4 follows:

5 “(A) DETERMINATION OF AMOUNT OF AS-
6 SISTANCE.—

7 “(i) Where the monthly homeowner-
8 ship expenses, as determined in accordance
9 with requirements established by the Sec-
10 retary, do not exceed the payment stand-
11 ard, the monthly assistance payment shall
12 be the amount by which the homeowner-
13 ship expenses exceed the highest of the fol-
14 lowing amounts, rounded to the nearest
15 dollar:

16 “(I) 30 percent of the family’s
17 monthly adjusted income.

18 “(II) 10 percent of the family’s
19 monthly income.

20 “(III) If the family is receiving
21 payments for welfare assistance from
22 a public agency and a part of such
23 payments, adjusted in accordance with
24 the family’s actual housing costs, is
25 specifically designated by such agency

1 to meet the family's housing costs, the
2 portion of such payments which is so
3 designated.

4 “(ii) Where the monthly homeowner-
5 ship expenses, as determined in accordance
6 with requirements established by the Sec-
7 retary, exceed the payment standard, the
8 monthly assistance payment shall be the
9 amount by which the applicable payment
10 standard exceeds the highest of the follow-
11 ing amounts, rounded to the nearest dollar:

12 “(I) 30 percent of the family's
13 monthly adjusted income.

14 “(II) 10 percent of the family's
15 monthly income.

16 “(III) If the family is receiving
17 payments for welfare assistance from
18 a public agency and a part of such
19 payments, adjusted in accordance with
20 the family's actual housing costs, is
21 specifically designated by such agency
22 to meet the family's housing costs, the
23 portion of such payments which is so
24 designated.”.

1 (e) TECHNICAL AND CONFORMING AMENDMENTS TO
2 THE 1937 ACT; DELETION OF OBSOLETE PROVISIONS.—
3 The United States Housing Act of 1937 is amended as
4 provided by this subsection.

5 (1) The second and third sentences of section
6 8(a) are hereby repealed.

7 (2) Section 8(b) is amended by—

8 (A) striking “RENTAL CERTIFICATES AND
9 OTHER EXISTING HOUSING PROGRAMS.—“and
10 inserting “CERTIFICATES AND OTHER EXIST-
11 ING HOUSING PROGRAMS.—(1)”; and

12 (B) striking the second sentence.

13 (3) Section 8(c)(3) is amended by striking the
14 subparagraph designation “(A)” and striking all of
15 subparagraph (B).

16 (4) The first sentence of section 8(c)(4) is
17 amended by striking “or by a family that qualifies
18 to receive” and all that follows through “1990”.

19 (5) Sections 8(c) (5) and (7) are hereby re-
20 pealed.

21 (6) Section 8(c)(8) is amended by inserting
22 after “section” the following: “(other than a con-
23 tract under section 8(o))”.

24 (7) Section 8(c)(9) is amended by striking
25 “(but not less than 90 days in the case of housing

1 certificates or vouchers under subsection (b) or (o))”
2 and inserting “, other than a contract under sub-
3 section (o)”.

4 (8) Section 8(d)(1)(A) is amended—

5 (A) by inserting after the subparagraph
6 designation “(A)” the following: “except for as-
7 sistance under subsection (o),”;

8 (B) in clause (i) by striking “(I)”;

9 (C) in clause (i), by striking “and (II) 90
10 percent of such families in the case of assist-
11 ance not attached to a structure”; and

12 (D) in clause (i), by striking “except” and
13 all that follows through the semicolon at the
14 end.

15 (9) Section 8(d)(2) is amended by striking the
16 third sentence of subparagraph (A) and all that fol-
17 lows through the end of paragraph (2).

18 (10) Section 8(f) is amended by—

19 (A) in paragraph (6), striking “(d)(2)”
20 and inserting “(o)(13)”; and

21 (B) in paragraph (7), striking “(b) or”
22 and inserting before the period the following:
23 “and that provides for the eligible family to se-
24 lect suitable housing and to move to other suit-
25 able housing”.

1 (11) Section 8(j) is hereby repealed.

2 (12) Section 8(n) is hereby repealed.

3 (13) The first sentence of section 8(q)(1) and
4 sections 8(q)(2)(A)(i) and 8(q)(2) are each amended
5 by striking “subsections (b) and (o)” and inserting
6 “this section”.

7 (14) Section 18(b)(3) is amended—

8 (A) in subparagraph (A)(v), by striking
9 “(excluding vouchers under section 8(o))” each
10 place it appears;

11 (B) in subparagraph (B), by striking
12 “8(d)(2)(A)” and inserting “8(o)(13)”;

13 (C) in subparagraph (B)(ii), by striking
14 “excluding vouchers under section 8(o))”; and

15 (D) in subparagraph (C)(i), by striking
16 “and vouchers”.

17 (15) Section 21(b)(3) is amended—

18 (A) in the first sentence, by striking “cer-
19 tificate under section 8(b)(1) or a housing
20 voucher under section 8(o)” and inserting “ten-
21 ant-based assistance under section 8”; and

22 (B) by striking the second sentence.

23 (16) Section 23(b)(3)(A) is amended by strik-
24 ing “Certificate and voucher assistance under sec-

1 tion 8(b) and (o)” and inserting “Tenant-based as-
2 sistance under section 8”.

3 (f) OTHER TECHNICAL AND CONFORMING AMEND-
4 MENTS.—

5 (1) Section 931 of the Cranston-Gonzalez Na-
6 tional Affordable Housing Act is amended by strik-
7 ing “assistance under the certificate and voucher
8 programs under sections 8(b) and (o)” and inserting
9 “tenant-based assistance under section 8”.

10 (2) Section 861(b)(1)(D) of the Cranston-Gon-
11 zalez National Affordable Housing Act is amended
12 by striking “certificates or vouchers” and inserting
13 “assistance”.

14 (3) Section 183(c)(2) of the Housing and Com-
15 munity Development Act of 1987 is amended by
16 striking “section 8(o)” and inserting “section 8”.

17 (4) Section 223(a) of the Housing and Commu-
18 nity Development Act of 1987 is amended by strik-
19 ing “sections 8(b) and 8(o)” and inserting “section
20 8”.

21 (5) The second sentence of section 533(a) of
22 the Housing Act of 1949 is amended by striking
23 “assistance payments as provided by section 8(o)”
24 and inserting “tenant-based assistance as provided
25 under section 8”.

1 (g) IMPLEMENTATION.—The Secretary shall imple-
2 ment the amendments made by this section by regulation
3 issued after notice and opportunity for public comment.
4 The amendments made by this section shall take effect
5 upon a date specified by the Secretary in the Federal Reg-
6 ister. The Secretary may provide for the conversion of as-
7 sistance under the certificate and voucher programs, as
8 they existed before the effective date of the amendments
9 made by this section, to the certificate program estab-
10 lished under this section. However, the Secretary may con-
11 tinue to apply the provisions of the United States Housing
12 Act of 1937 and other statutes amended by this section,
13 as they existed immediately before such effective date, to
14 assistance obligated by the Secretary before such effective
15 date for the certificate or voucher program, where nec-
16 essary for simplification of program administration, avoid-
17 ance of hardship, or other good cause.

18 SECTION 8 CERTIFICATE AND VOUCHER FEES

19 SEC. 413. (a) Section 8(q)(1) of the United States
20 Housing Act of 1937 is amended to read as follows:

21 “(1)(A) The Secretary shall establish fees for
22 the costs of administering the tenant-based assist-
23 ance programs under this Act.

24 “(B)(i) For the initial year the Secretary estab-
25 lishes fees under this section, as amended by the
26 Housing Choice and Community Investment Act of

1 1994, the fee for each month for which a dwelling
2 unit is covered by an assistance contract shall be
3 7.65 percent of the base amount in the case of an
4 agency that, on an annual basis, is administering a
5 program of more than 1,000 units, and 7 percent of
6 the base amount for each additional unit above
7 1,000. The base amount shall be the higher of (I)
8 the fair market rental for fiscal year 1993 for a 2-
9 bedroom existing rental dwelling unit in the market
10 area of the agency, and (II) such fair market rental
11 for fiscal year 1994, but not more than 103.5 per-
12 cent of the amount determined under clause (I); ex-
13 cept that the Secretary may require that the base
14 amount be not less than a minimum amount and not
15 more than a maximum amount.

16 “(ii) For subsequent fiscal years, the Secretary
17 shall publish in the Federal Register, for each geo-
18 graphic area, the amount of the fee that would apply
19 for agencies administering the program, based on
20 changes in wage data or other objectively measur-
21 able data that reflect the costs of administering the
22 program, as determined by the Secretary.

23 “(C) The Secretary may increase the fee if nec-
24 essary to reflect the higher costs of administering
25 small programs, the family self-sufficiency program

1 under section 23, and programs operating over large
2 geographic areas.”.

3 (b) Section (8)(q)(2)(A)(i) is amended to read as fol-
4 lows:

5 “(i) the costs of preliminary expenses, in
6 the amount of \$500, for a public housing agen-
7 cy, but only in connection with its initial incre-
8 ment of assistance received in the first year it
9 administers a tenant-based assistance program
10 under this Act;”

11 (c) The amendments made by this section shall take
12 effect on a date specified by the Secretary in regulations
13 implementing the amendments. Until that date, the fees
14 applicable in fiscal year 1994 shall continue in effect.

15 Subtitle C—Miscellaneous

16 SECTION 811 RENTAL ASSISTANCE FOR PERSONS WITH 17 DISABILITIES

18 SEC. 421. (a) RENTAL ASSISTANCE FOR EXISTING
19 BUILDINGS.—Section 811 of the Cranston-Gonzalez Na-
20 tional Affordable Housing Act is amended—

21 (1) in subsection (d)(2), by inserting after the
22 dash the following new sentence: “The Secretary
23 may enter into contracts with private, nonprofit or-
24 ganizations to provide project rental assistance for
25 supportive housing for persons with disabilities,

1 whether or not that housing is developed with capital
2 advances under this section.”;

3 (2) in subsection (e)(1), by inserting imme-
4 diately after “assisted” the following: “with capital
5 advances”;

6 (3) by amending the first two sentences of sub-
7 section (e)(2) to read as follows: “The initial term
8 of a contract entered into under subsection (d)(2)
9 shall be 240 months for housing developed with a
10 capital advance, and shall be not more than 60
11 months for housing not developed with a capital ad-
12 vance. The Secretary shall, to the extent approved in
13 appropriations Acts, extend any expiring contracts
14 for a term of not less than 60 months.”;

15 (4) in subsection (g)(1), by inserting after “de-
16 velop” the following “(if applicable)”;

17 (5) in each of subsections (g)(3) and (5), by in-
18 serting immediately before “proposed” the following
19 “design or”;

20 (6) in subsection (j)(3)—

21 (A) by striking “An” and inserting in lieu
22 thereof the following: “(A) where the housing is
23 to be assisted with capital advances under this
24 section, an”; and

1 (B) by adding the following new subpara-
2 graph at the end thereof:

3 “(B) Where the housing is to be assisted
4 only with project rental assistance, the appli-
5 cant shall have ownership or control of a suit-
6 able site at the time of application. The Sec-
7 retary may approve a change in site at any time
8 from the date the application is submitted to
9 the expiration date of the rental assistance con-
10 tract.”;

11 (7) in subsection (j)(4), by striking “The” and
12 inserting in lieu thereof the following “Where the
13 housing is assisted with capital advances under this
14 section, the”;

15 (8) in the second sentence of subsection (k)(1),
16 by striking “the development of”;

17 (9) in subsection (k)(5), by inserting imme-
18 diately after “disabilities” the following: “, or that
19 receives rental assistance under this section to oper-
20 ate or project for supportive housing for persons
21 with disabilities”; and

22 (10) in subsection (m)(3), by striking out “(1)”
23 and inserting in lieu thereof “(2)”.

24 (b) REPEAL OF TENANT-BASED ASSISTANCE.—Sec-
25 tion 811 of such Act is amended—

1 (1) by amending subsection (b) to read as fol-
2 lows:

3 “(b) GENERAL AUTHORITY.—The Secretary is au-
4 thorized to provide assistance to private, nonprofit organi-
5 zations to expand the supply of supportive housing for per-
6 sons with disabilities. Such assistance shall be provided
7 as—

8 “(1) capital advances in accordance with sub-
9 section (d)(1), together with contracts for project
10 rental assistance in accordance with subsection
11 (d)(2), or

12 “(2) contracts for project rental assistance in
13 accordance with subsection (d)(2).

14 Such assistance may be used to finance the acquisition,
15 acquisition and moderate rehabilitation, construction, re-
16 constructing, or moderate of substantial rehabilitation of
17 housing, including the acquisition from the Resolution
18 Trust Corporation, to be used as supportive housing for
19 persons with disabilities and may include real property ac-
20 quisition, site improvement, conversion, demolition, reloca-
21 tion, and other expenses that the Secretary determines are
22 necessary to expand the supply of supportive housing for
23 persons with disabilities.”;

24 (2) in each of subsections (d)(1) and (3), (e)
25 (1), and (g), and in the first and second sentences

1 of subsection (f), by striking “subsection (b)(2)” and
 2 inserting the following: “this section” and
 3 (3) by striking subsection (d)(4).

4 (c) TECHNICAL CHANGES.—(1) Section 811(k)(6)(A)
 5 of such Act is amended to read as follows:

6 “(A) that has received tax-exempt status
 7 under section 501(c) (3) or (4) of the Internal
 8 Revenue Code of 1986;”.

9 (2) Section 8(i) of the United States Housing Act of
 10 1937 is hereby repealed.

11 FUNDING FOR SUPPORTIVE HOUSING FOR THE ELDERLY
 12 AND FOR PERSONS WITH DISABILITIES

13 SEC. 422. Section 601 of the Housing and Commu-
 14 nity Development Act of 1992 (Public Law 102–550; 106
 15 Stat. 3802) is amended by striking subsection (a) and in-
 16 serting the following new subsection:

17 “(a) AGGREGATE FUNDING.—There are authorized
 18 to be appropriated for the purpose of providing assistance
 19 in accordance with section 202 of the Housing Act of 1959
 20 and section 811 of the Cranston-Gonzalez National Af-
 21 fordable Housing Act \$537,000,000 for fiscal year 1995
 22 and \$387,000,000 for fiscal year 1996. Of the foregoing
 23 amounts, for fiscal year 1995, \$387,000,000 shall be to
 24 carry out such section 811, and \$150,000,000 shall be to
 25 carry out such section 202. The total amount for fiscal
 26 year 1996 shall be to carry out such section 811.”.

YOUTHBUILD

1

2 SEC. 423. (a) Section 454(b) of subtitle D of Title
3 IV of the Cranston-Gonzalez National Affordable Housing
4 Act is amended—

5 (1) in paragraph (2), by striking “Acquisition”
6 and all that follows through “facilities” and insert-
7 ing in lieu thereof the following: “Acquisition, reha-
8 bilitation, or acquisition and rehabilitation of vacant
9 housing and related facilities, or construction of new
10 housing and related facilities,”;

11 (2) by striking paragraph (6); and

12 (3) by designating paragraphs (7) and (8) as
13 paragraphs (6) and (7), respectively.

14 (b) Section 454(g) of such Act is hereby repealed.

15 (c) Section 455(a) of such Act is amended—

16 (1) in the first sentence, by inserting after “re-
17 ceiving assistance under this subtitle” the following:
18 “for costs such as construction, rehabilitation, and
19 acquisition”; and

20 (2) in paragraph (1)(A), by deleting “less than
21 60” and inserting in lieu thereof “that do not exceed
22 50”.

23 (d) Section 458(d) of such Act is amended by striking
24 “(b) and (c)” and inserting in lieu thereof “(a), (b), and
25 (c)”.

1 HOPE AUTHORIZATION OF APPROPRIATIONS

2 SEC. 424. Sections 402 (a) and (b) of the Cranston-
3 Gonzalez National Affordable Housing Act (42 U.S.C.
4 12870) are amended to read as follows:

5 “(a) HOMEOWNERSHIP PROGRAMS.—There are au-
6 thorized to be appropriated for activities authorized under
7 title III of the United States Housing Act of 1937, and
8 subtitles B and C of title IV of the Cranston-Gonzalez Na-
9 tional Affordable Housing Act, including amounts for
10 technical assistance, \$100,000,000 for fiscal year 1995
11 and \$100,000,000 for fiscal year 1996.

12 “(b) YOUTHBUILD PROGRAM.—There are authorized
13 to be appropriated for activities under subtitle D of title
14 IV of the Cranston-Gonzalez National Affordable Housing
15 Act \$50,000,000 for fiscal year 1995 and \$50,000,000 for
16 fiscal year 1996. Any amounts appropriated pursuant to
17 this subsection shall remain available until expended.”.

18 AUTHORIZATION OF APPROPRIATIONS FOR HOUSING

19 OPPORTUNITIES FOR PERSONS WITH AIDS

20 SEC. 425. Section 863 of the Cranston-Gonzalez Na-
21 tional Affordable Housing Act (42 U.S.C. 12912), is
22 amended to read as follows:

23 **“SEC. 863. AUTHORIZATION OF APPROPRIATIONS.**

24 “There are authorized to be appropriated to carry out
25 this subtitle \$156,000,000 for fiscal year 1995 and
26 \$156,000,000 for fiscal year 1996.”.

1 TITLE V—PRESERVATION AND PRODUCTION

2 **SEC. 501. MISCELLANEOUS AMENDMENTS TO LIHPRHA.**

3 (a) ESTABLISH A REALISTIC FEDERAL COST
 4 LIMIT.—(1) Section 215(a) of the Low-Income Housing
 5 Preservation and Resident Homeownership Act of 1990
 6 is amended—

7 (A) in paragraph (1), by striking “120” and in-
 8 serting “100”;

9 (B) by striking paragraph (2); and

10 (C) by redesignating paragraph (3) as para-
 11 graph (2) and amending such paragraph by striking
 12 “and the amount determined under paragraph (2)”.

13 (2) Section 215(b)(2)(C) is amended to read as fol-
 14 lows:

15 “(C) file a second notice of intent under section
 16 216(d) to terminate the low-income affordability re-
 17 strictions through payment of the mortgage or vol-
 18 untary termination of the insurance contract, subject
 19 to compliance with the provisions of section 223.”.

20 (3)(A) Section 221 is hereby repealed.

21 (B)(i) Section 213(b)(2), section 214(b)(2), the sec-
 22 ond sentence of section 217(a)(1), sections 224(a)(1) (B)
 23 and (C), and section 224(a)(2) of such Act are each
 24 amended by striking “or 221”.

1 (ii) The third sentence of section 214(b) of such Act
2 is amended by striking “219, 220, or 221” and inserting
3 “219 or 220”.

4 (iii) The third sentence of section 216(d)(1) of such
5 Act is amended by striking “sections 221 and 223” and
6 inserting “section 223”.

7 (iv) The second sentence of section 217(a)(1) of such
8 Act is amended by striking “or upon making of any bona
9 fide offer under section 221”.

10 (v) The last sentence of section 224(a) of such Act
11 is amended by striking “sections 220 and 221” and insert-
12 ing “section 220”.

13 (vi) Section 229(8)(B) of such Act is amended by
14 striking “and 221”.

15 (b) CAP APPRAISALS UNDER LIHPRHA AT FAIR
16 MARKET VALUE FOR RESIDENTIAL RENTAL USE.—Sec-
17 tion 213(b)(2) of such Act is amended by inserting before
18 the period the following: “as residential rental housing”.

19 (c) REPEAL OF HOMEOWNERSHIP ASSISTANCE.—(1)
20 Section 220(d)(1) of such Act is amended to read as fol-
21 lows:

22 “(1) APPROVAL.—The Secretary may not ap-
23 prove a plan for any qualified purchaser unless the
24 Secretary finds that the criteria for approval under
25 section 222 have been satisfied.”.

1 (2) The matter preceding subparagraph (A) in sec-
2 tion 220(d)(2) of such Act is amended by striking “(in-
3 cluding all priority purchasers other than resident councils
4 acquiring under the homeownership program authorized
5 by section 226)”.

6 (3) Section 220(d)(2)(G) of such Act is amended to
7 read as follows:

8 “(G) in the case of a resident council orga-
9 nized to acquire the housing as a limited equity
10 cooperative, cover the costs of training for the
11 resident council and of ownership counseling
12 and training.”.

13 (4) Section 222(a) of such Act is amended by striking
14 out “(other than a resident council)”.

15 (5) Section 222(a)(2)(A) of such Act is amended by
16 inserting “rental or limited equity cooperative” imme-
17 diately after “the housing will be retained as”.

18 (6) Section 226 of such Act is hereby repealed.

19 (7) Section 231(a) of such Act is amended by—

20 (A) striking out “(A)” and all that follows
21 through “(B)”;

22 (B) inserting after “any nonprofit organiza-
23 tion” the following: “(including a resident council)”.

1 (d) NATIONAL HOUSING ACT CONFORMING AMEND-
 2 MENT.—Section 241(f)(3)(A) of the National Housing Act
 3 is amended by striking out “or 221”.

4 (e) TRANSITION PROVISION.—The amendments
 5 made by this section shall only apply to eligible owners
 6 that file a plan of action under the Low-Income Housing
 7 Preservation and Resident Homeownership Act of 1990
 8 on or after the date of enactment of this Act.

9 LOW-INCOME HOUSING PRESERVATION AUTHORIZATION
 10 OF APPROPRIATIONS

11 SEC. 502. Section 234(a) of the Housing and Com-
 12 munity Development Act of 1987 (12 U.S.C. 4124) is
 13 amended to read as follows:

14 “(a) IN GENERAL.—There are authorized to be ap-
 15 propriated for assistance and incentives authorized under
 16 this subtitle \$226,000,000 for fiscal year 1996.”.

17 FHA FUND SUPPORT OF SECTION 8 ASSISTANCE FOR
 18 PROPERTY DISPOSITION

19 SEC. 503. (a) Section 203 of the Housing and Com-
 20 munity Development Amendments of 1978 is amended by
 21 adding the following new subsection at the end thereof:

22 “(m) SPENDING AUTHORITY FOR SECTION 8 ASSIST-
 23 ANCE.—In addition to amounts otherwise made available
 24 for carrying out subsection (e) and (f) of this section, the
 25 Secretary shall use not to exceed a total of \$3,945,000,000
 26 for fiscal years 1995 through 1999 for assistance under

1 section 8 of the United States Housing Act of 1937, as
 2 authorized by subsections (e) and (f). These funds are
 3 hereby made available from amounts in the General Insur-
 4 ance Fund or the Special Risk Insurance Fund, as appro-
 5 priate.”.

6 (b) Section 207(l) of the National Housing Act is
 7 amended by adding in the first sentence after “or sell for
 8 cash or credit or lease in his discretion,” the following:
 9 “with or without provision for rental assistance that may
 10 be either project-based or tenant-based,”.

11 HOME PROGRAM LOAN GUARANTEES

12 SEC. 504. HOME PROGRAM LOAN GUARANTEES.—
 13 Title II of the Cranston-Gonzalez National Affordable
 14 Housing Act (the Home Investment Partnerships Act) is
 15 amended by adding the following new section at the end
 16 of subtitle A:

17 “SEC. 227. LOAN GUARANTEES.—(a) The Secretary
 18 is authorized, upon such terms and conditions as the Sec-
 19 retary may prescribe, to guarantee and make commit-
 20 ments to guarantee, only to such extent or in such
 21 amounts as provided in appropriations Acts, the notes or
 22 other obligations issued by eligible participating jurisdic-
 23 tions or by public agencies designated by and acting on
 24 behalf of eligible participating jurisdictions for purposes
 25 of financing (including credit enhancements and debt serv-
 26 ice reserves) the acquisition, new construction, reconstruc-

1 tion, or moderate or substantial rehabilitation of afford-
2 able housing, including real property acquisition, site im-
3 provement, conversion, demolition, and other expenses, in-
4 cluding financing costs, relocation expenses of any dis-
5 placed persons, families, businesses, or organizations. All
6 housing funded under this section shall meet the require-
7 ments of this title.

8 “(b) Notes or other obligations guaranteed under this
9 section shall be in such form and denominations, have
10 such maturities, and be subject to such conditions as may
11 be prescribed by regulations issued by the Secretary. The
12 Secretary may not deny a guarantee under this section
13 on the basis of the proposed repayment period for the note
14 or other obligation, unless the period is more than 20
15 years or the Secretary determines that the period other-
16 wise causes the guarantee to constitute an unacceptable
17 financial risk. To the extent provided in appropriation
18 Acts, the Secretary may enter into commitments to guar-
19 antee notes or other obligations under this section with
20 an aggregate principal amount of \$1,000,000,000 for fis-
21 cal year 1995 and \$1,000,000,000 for fiscal year 1996.

22 “(c) No guarantee or commitment to guarantee shall
23 be made with respect to any note or other obligation if
24 the total outstanding notes or obligations guaranteed
25 under this section on behalf of a participating jurisdiction

1 (excluding any amount defeased under a contract entered
2 into under subsection (e)(1)) would thereby exceed an
3 amount equal to 5 times the amount of the participating
4 jurisdiction's latest HOME allocation.

5 “(d) Notwithstanding any other provision of this title,
6 funds allocated to the participating jurisdiction under this
7 title (including program income derived therefrom) are au-
8 thorized for use by the participating jurisdiction or by the
9 Secretary, in the payment of principal and interest due
10 on the notes or other obligations guaranteed pursuant to
11 this section and the payment of such servicing, underwrit-
12 ing, or other issuance or collection charges as may be spec-
13 ified in regulations issued by the Secretary.

14 “(e) To assure the full repayment of notes or other
15 obligations guaranteed hereunder as well as the issuance
16 or collection charges specified by the Secretary under
17 paragraph (d), and as a prior condition for receiving such
18 guarantees, the Secretary shall require the participating
19 jurisdiction (and its designated public agency issuer, if
20 any) to—

21 “(1) enter into a contract, in a form acceptable
22 to the Secretary, for repayment of such notes or
23 other obligations and the other specified charges;

1 “(2) pledge as security for such repayment any
2 allocation for which the participating jurisdiction
3 may become eligible under this title; and

4 “(3) furnish, at the discretion of the Secretary,
5 such other security as may be deemed appropriate
6 by the Secretary in making such guarantees, which
7 may include increments in local tax receipts gen-
8 erated by the housing assisted under this section or
9 disposition proceeds from the sale of land or hous-
10 ing.

11 “(f) The Secretary is authorized, notwithstanding
12 any other provision of this title or any other Federal, State
13 or local law, to apply allocations pledged pursuant to para-
14 graph (e) of this section to any repayments due the United
15 States as a result of such guarantees.

16 “(g) The full faith and credit of the United States
17 is pledged to the payment of all guarantees made under
18 this section. Any such guarantee made by the Secretary
19 shall be conclusive evidence of the eligibility of the notes
20 or other obligations for such guarantee with respect to
21 principal and interest, and the validity of any such guar-
22 antee so made shall be incontestable in the hands of a
23 holder of the guaranteed obligations.

24 “(h) Obligations guaranteed under this section shall
25 be subject to Federal taxation as provided subsection (j).

1 “(i) With respect to any obligation guaranteed pursu-
2 ant to this section, the interest paid on such obligation
3 shall be included in gross income for the purpose of chap-
4 ter 1 of the Internal Revenue Code of 1954.

5 “(j) The Secretary shall monitor the use of guaran-
6 tees under this section by eligible participating jurisdic-
7 tions. If the Secretary finds that 50 percent of the aggre-
8 gate guarantee authority has been committed, the Sec-
9 retary may—

10 “(1) impose limitations on the amount of guar-
11 antees any one participating jurisdiction may receive
12 in any fiscal year of \$35,000,000; or

13 “(2) request the enactment of legislation in-
14 creasing the aggregate limitation on guarantees
15 under this section.

16 “(k) No fee or other charge may be imposed by the
17 Secretary or any other Federal agency on or with respect
18 to a guarantee made by the Secretary under this section.

19 “(l)(1) The Secretary is authorized, upon such terms
20 and conditions as the Secretary deems appropriate, to
21 guarantee the timely payment of the principal of and in-
22 terest on such trust certificates or other obligations as
23 shall—

1 “(A) be offered by the Secretary or by any
2 other offeror approved for purposes of this sub-
3 section by the Secretary, and

4 “(B) be based on and backed by a trust or pool
5 composed of notes or other obligations guaranteed or
6 eligible for guarantee by the Secretary under this
7 section.

8 “(2) To the same extent as provided in paragraph
9 (g), the full faith and credit of the United States is
10 pledged to the payment of all amounts which may be re-
11 quired to be paid under any guarantee by the Secretary
12 under this subsection.

13 “(3) In the event the Secretary pays a claim under
14 a guarantee issued under this section, the Secretary shall
15 be subrogated fully to the rights satisfied by such pay-
16 ment.

17 “(4) No State or local law, and no Federal law, shall
18 preclude or limit the exercise by the Secretary of—

19 “(A) the power to contract with respect to pub-
20 lic offerings and other sales of notes, trust certifi-
21 cates and other obligations guaranteed under this
22 section upon such terms and conditions as the Sec-
23 retary deems appropriate,

24 “(B) the right to enforce by any means deemed
25 appropriate by the Secretary any such contract, and

11 HOME AUTHORIZATION OF APPROPRIATIONS

15 “SEC. 205. AUTHORIZATION.—There are authorized
16 to be appropriated to carry out this title \$1,000,000,000
17 for fiscal year 1995, and \$1,000,000,000 for fiscal year
18 1996.”.

20 PROVISIONS

S 2049 IS

1 EXTENSION OF THE MULTIFAMILY MORTGAGE CREDIT
2 DEMONSTRATIONS

3 SEC. 507. Section 542 of the Housing and Commu-
4 nity Development Act of 1992 is amended—

5 (1) in subsection (b)(5), by striking “1993 and
6 1994” and inserting “1995 and 1996”; and

7 (2) in subsection (c)(4), by striking “1993,
8 1994, and 1995” and inserting “1995, 1996, and
9 1997”.

10 TITLE VI—EXPANSION OF FAIR HOUSING MET-
11ROPOLITAN AREAWIDE STRATEGY DEM-
12ONSTRATION

13 SEC. 601. (a) The Secretary of Housing and Urban
14 Development shall carry out, through consortia of units
15 of general local government, a demonstration that makes
16 assisted housing available in three metropolitan areas on
17 a metropolitan, areawide basis. The demonstration shall
18 be designed to determine how best to—

19 (1) affirmatively further fair housing and ad-
20 dress the problem of racial segregation in metropoli-
21 tan areas;

22 (2) achieve the goal of overcoming racial spatial
23 separation and segregation, including testing the ef-
24 fect of filling vacancies in assisted housing by use of
25 a consolidated waiting list;

1 (3) enlist cooperation by units of general local
2 government, public housing agencies, and private
3 owners of assisted housing in achieving such goals;

4 (4) make public housing a path to social and
5 economic mobility;

6 (5) eliminate housing discrimination; and

7 (6) accomplish related objectives, as determined
8 by the Secretary.

9 (b) The Secretary shall select the consortia on a com-
10 petitive basis and make a grant to each consortia selected
11 to carry out the demonstration. An application shall dem-
12 onstrate that a sufficient number of units of general local
13 government, public housing agencies, and private owners
14 of assisted housing are committed to participate in the
15 demonstration to make the demonstration feasible, includ-
16 ing commitments to comply with alternative program re-
17 quirements specified by the Secretary. The demonstration
18 shall have a three-year term with respect to each site.

19 (c) The Secretary may waive, or specify alternative
20 requirements for, any provision of any statute or regula-
21 tion that the Secretary administers upon finding that the
22 waiver or alternative requirement (1) is necessary to facili-
23 tate the demonstration, and (2) would not be inconsistent
24 with the overall purpose of the statute or regulation af-
25 fected. In no event may the Secretary waive, or specify

1 alternative requirements for, statutory requirements relat-
2 ed to nondiscrimination, fair housing, labor standards, or
3 the environment, except that the Secretary may waive af-
4 firmative marketing requirements for participants in the
5 demonstration.

6 (d) There are authorized to be appropriated for the
7 costs related to regional planning, housing counseling, de-
8 velopment of a model consolidated waiting list, and admin-
9 istration under the demonstration established by this sec-
10 tion, \$15,000,000 for each of fiscal years 1995, 1996, and
11 1997. Of the amounts appropriated for annual contribu-
12 tions for assisted housing under the United States Hous-
13 ing Act of 1937, the Secretary shall earmark \$9,000,000
14 for each of fiscal years 1995, 1996, and 1997 for mod-
15 ernization of public housing under section 14 of that Act
16 by public housing agencies participating in the demonstra-
17 tion that are located in the central city of the metropolitan
18 area. Of the amounts appropriated for annual contribu-
19 tions for assisted housing under the United States Hous-
20 ing Act of 1937 and earmarked for tenant-based assist-
21 ance under section 8 of that Act, the Secretary may set
22 aside up to \$100,000,000 for use by public housing agen-
23 cies in support of the demonstration.

1 EXPAND USE OF AMOUNTS IN SECTION 213(D)(4) HEAD-
2 QUARTERS RESERVE IN CONNECTION WITH SETTLE-
3 MENT OF CIVIL RIGHTS LITIGATION

4 SEC. 602. (a) Section 213(d)(4)(A) of the Housing
5 and Community Development Act of 1974 is amended
6 by—

- 7 (1) striking “and” at the end of clause (iii);
8 (2) redesignating clause (iv) as clause (v); and
9 (3) inserting the following new clause after
10 clause (iii):

11 “(iv) fair housing activities and cash
12 payments, in connection with the settle-
13 ment of civil rights litigation (excluding
14 litigation brought by an employee or
15 former employee of the Secretary); and”.

16 (b) Section 5 of the United States Housing Act of
17 1937 is amended by adding at the end the following new
18 subsection:

19 “(m) The Secretary may use up to five percent of
20 the aggregate amount appropriated under this Act for
21 public housing development and section 8 assistance for
22 the activities eligible for funding from amounts retained
23 by the Secretary in accordance with section 213(d) of the
24 Housing and Community Development Act of 1974.”.

1 MAKE CDBG EXPENDITURES ON FAIR HOUSING

2 ACTIVITIES ELIGIBLE ACTIVITIES IN THEIR OWN RIGHT

3 SEC. 603. (a) Section 105(a) of the Housing and
4 Community Development Act of 1974 is amended—

5 (1) in paragraph (24), by striking “and” at the
6 end;

7 (2) in paragraph (25), by striking the period at
8 the end and inserting “; and”; and

9 (3) by adding at the end the following new
10 paragraph:

11 “(26) activities that affirmatively further fair
12 housing.”.

13 (b) Section 105(c) of such Act is amended by adding
14 the following new paragraph at the end:

15 “(5) Any activity carried out under subsection
16 (a)(26) shall be presumed to benefit persons of low
17 and moderate income.”.

18 FAIR HOUSING INITIATIVES PROGRAM AUTHORIZATION OF
19 APPROPRIATIONS

20 SEC. 604. Section 561(g) of the Housing and Com-
21 munity Development Act of 1987 (42 U.S.C. 3616 note)
22 is amended to read as follows:

23 “(g) AUTHORIZATION OF APPROPRIATIONS.—There
24 are authorized to be appropriated to remain available until
25 expended, to carry out the provisions of this section

1 \$26,000,000 for fiscal year 1995 and \$26,000,000 for fis-
2 cal year 1996, of which—

3 “(1) not less than \$9,000,000 for fiscal year
4 1995 and not less than \$9,000,000 for fiscal year
5 1996 shall be for private enforcement initiatives au-
6 thorized under subsection (b), divided equally be-
7 tween activities specified under subsection (b)(1)
8 and those specified under subsection (b)(2);

9 “(2) not less than \$7,000,000 for fiscal year
10 1995 and not less than \$7,000,000 for fiscal year
11 1996 shall be for fair housing enforcement organiza-
12 tions authorized under subsection (c);

13 “(3) not less than \$7,000,000 for fiscal year
14 1995 and not less than \$7,000,000 for fiscal year
15 1996 shall be for education and outreach programs
16 authorized under subsection (d); and

17 “(4) not less than \$3,000,000 for fiscal year
18 1995 and not less than \$3,000,000 for fiscal year
19 1996 shall be for administrative enforcement.”.

20 CIVIL MONEY PENALTIES FOR VIOLATIONS OF THE HOME
21 MORTGAGE DISCLOSURE ACT BY NONSUPERVISED
22 MORTGAGES

23 SEC. 605. Section 305 of the Home Mortgage Disclo-
24 sure Act of 1975 is amended as follows:

25 (a) Subsection (b)(4) is repealed.

1 (b) Subsection (c) is redesignated as section
2 305(d).

3 (c) A new subsection (c) is added, to read:

4 “(c) POWERS OF THE SECRETARY OF HOUSING AND
5 URBAN DEVELOPMENT.—

6 “(1) IN GENERAL.—The Secretary of Housing
7 and Urban Development (‘the Secretary’) shall en-
8 force compliance with the requirements imposed
9 under this title with regard to lending institutions
10 not named in subsection (b).

11 “(2) CIVIL MONEY PENALTIES.—Pursuant to
12 paragraph (1) of this subsection, the Secretary may
13 impose a civil money penalty for failure to comply
14 with the requirements of this title.

15 “(3) AMOUNT OF PENALTY.—The amount of
16 the penalty, as determined by the Secretary, may
17 not exceed \$5,000 for each violation, except that the
18 maximum penalty for all violations by any particular
19 lending institution during any 1-year period shall
20 not exceed \$1,000,000.

21 “(4) VIOLATIONS FOR WHICH A PENALTY MAY
22 BE IMPOSED.—A civil money penalty may be im-
23 posed for the late submission of a report, failure to
24 submit a report, submission of an illegible report,
25 submission of an erroneous report, and failure to

1 submit a corrected report for a report that was illeg-
2 ible or erroneous.

3 “(5) AGENCY PROCEDURES.—

4 “(A) ESTABLISHMENT.—The Secretary
5 shall establish standards and procedures gov-
6 erning the imposition of civil money penalties
7 under this section. These standards and proce-
8 dures shall provide for the Secretary to make
9 the determination to impose the penalty or to
10 use an administrative entity (such as the Mort-
11 gagee Review Board, established pursuant to
12 section 202(c) of the National Housing Act) to
13 make the determination; shall provide for the
14 imposition of a penalty only after the lending
15 institution has been given an opportunity for a
16 hearing on the record; and may provide for re-
17 view by the Secretary of a determination or
18 order, or interlocutory ruling, arising from a
19 hearing.

20 “(B) FINAL ORDERS.—If no hearing is re-
21 quested within 15 days of receipt of the notice
22 of opportunity for hearing, the imposition of
23 the penalty shall constitute a final and
24 unappealable determination. If the Secretary re-
25 views the determination or order, the Secretary

1 may affirm, modify, or reverse that determina-
2 tion or order. If the Secretary does not review
3 the determination or order within 90 days of
4 the issuance of the determination or order, the
5 determination or order shall be final.

6 “(C) FACTORS IN DETERMINING AMOUNT
7 OF PENALTY.—In determining the amount of a
8 penalty under this subsection, consideration
9 shall be given to such factors as the gravity of
10 the offense, any history of prior offenses, ability
11 to pay the penalty, deterrence of future viola-
12 tions, and such other factors as the Secretary
13 may determine to be appropriate.

14 “(D) REVIEWABILITY OF IMPOSITION OF
15 PENALTY.—The Secretary’s determination or
16 order imposing a penalty under this subsection
17 shall not be subject to review, except as pro-
18 vided in this subsection.

19 “(6) JUDICIAL REVIEW OF AGENCY DETER-
20 MINATION.—

21 “(A) IN GENERAL.—After exhausting all
22 administrative remedies established by the Sec-
23 retary under this subsection, a lending institu-
24 tion against whom the Secretary has imposed a
25 civil money penalty under this subsection may

1 obtain a review of the penalty as may be ad-
2 dressed in the notice of determination to impose
3 a penalty in the appropriate court of appeals of
4 the United States, by filing in such court, with-
5 in 20 days after the entry of such order or de-
6 termination, a written petition praying that the
7 Secretary's determination or order be modified
8 or set aside in whole or in part.

9 “(B) OBJECTIONS NOT RAISED IN HEAR-
10 ING.—The court shall not consider any objec-
11 tion that was not raised in the hearing con-
12 ducted pursuant to this subsection unless a
13 demonstration is made of extraordinary cir-
14 cumstances causing the failure to raise the ob-
15 jection. If any party demonstrates to the satis-
16 faction of the court that additional evidence not
17 presented at the hearing is material and that
18 there were reasonable grounds for the failure to
19 present such evidence at the hearing, the court
20 shall remand the matter to the Secretary for
21 consideration of the additional evidence.

22 “(C) SCOPE OF REVIEW.—The decisions,
23 findings, and determinations of the Secretary
24 shall be reviewed pursuant to section 706 of
25 title 5, United States Code.

1 “(D) ORDER TO PAY PENALTY.—Notwith-
2 standing any other provision of law, in any such
3 review, the court shall have the power to order
4 payment of the penalty imposed by the Sec-
5 retary.

6 “(7) ACTION TO COLLECT PENALTY.—If a lend-
7 ing institution fails to comply with the Secretary’s
8 determination or order imposing a civil money pen-
9 alty under this subsection, after the determination
10 or order is no longer subject to review as provided
11 by this subsection, the Secretary may bring an ac-
12 tion in an appropriate United States district court to
13 obtain a monetary judgment against the lending in-
14 stitution. In such an action, the validity and appro-
15 priateness of the Secretary’s determination or order
16 imposing the penalty shall not be subject to review.
17 The monetary judgment may, in the court’s discre-
18 tion, include the attorneys fees and other expenses
19 incurred by the United States in connection with the
20 action.

21 “(8) SETTLEMENT BY SECRETARY.—The Sec-
22 retary may compromise, modify, or remit any civil
23 money penalty which may be imposed under this
24 subsection.

1 “(9) REGULATIONS.—The Secretary shall issue
2 such regulations as the Secretary deems appropriate
3 to implement this subsection.

4 “(10) DEPOSIT OF PENALTIES IN UNITED
5 STATES TREASURY.—All civil money penalties col-
6 lected under this subsection shall be deposited in the
7 Miscellaneous Receipts Account of the Treasury.”.

8 TITLE VII—COMMUNITY DEVELOPMENT AND
9 EMPOWERMENT

10 Subtitle A—Neighborhood Leveraged

11 INVESTMENTS FOR TOMORROW (LIFT) PROGRAM

12 AUTHORIZATION

13 SEC. 701. (a) PROGRAM AUTHORIZATION.—The Sec-
14 retary is authorized to make grants in accordance with
15 the provisions of this subtitle to States, units of general
16 local government, Indian tribes, and community-based
17 non-profit organizations for the purpose of stimulating
18 public and private investment in the community-building
19 enterprises that provide essential services to disadvan-
20 taged communities, spur new investment and development
21 in nearby areas, and create jobs for neighborhood resi-
22 dents.

23 (b) FUNDING AUTHORIZATION.—

24 (1) IN GENERAL.—There are authorized to be
25 appropriated for purposes of this subtitle
26 \$200,000,000 for fiscal year 1995 and such sums as

1 may be necessary for fiscal year 1996. Any amount
 2 appropriated shall remain available until expended.

3 (2) ALLOCATION OF FUNDS.—(A) Of the
 4 amounts appropriated under paragraph (1) for any
 5 fiscal year, the Secretary shall set aside such
 6 amounts as the Secretary deems appropriate to
 7 carry out the training, information, and technical as-
 8 sistance activities referred to in section 707.

9 (B) Of the amounts remaining each fiscal year
 10 after amounts are set aside under subparagraph
 11 (A)—

12 (i) 75 percent shall be available for neigh-
 13 borhood revitalization grants under section 704;
 14 and

15 (ii) 25 percent shall be available for
 16 project-based grants under section 705.

17 ELIGIBLE NEIGHBORHOODS

18 SEC. 702. (a) INDICIA OF NEED.—Grants under this
 19 subtitle may only be used in neighborhoods that meet such
 20 criteria of need as the Secretary shall prescribe. These cri-
 21 teria may include—

22 (1) concentrations of persons of low and mod-
 23 erate income in census tracts in the neighborhood;

24 (2) poverty rates in the neighborhood;

25 (3) rates of unemployment in the neighborhood;

26 and

10 ELIGIBLE ACTIVITIES

16 (1) retail and service facilities;
17 (2) mixed-use projects;
18 (3) projects that link economic development and
19 housing;
20 (4) community centers; and
21 (5) community-based business expansions.

S 2049 IS

1 GRANTS FOR NEIGHBORHOOD REVITALIZATION PROJECTS

2 SEC. 704. (a) IN GENERAL.—Of amounts allocated
3 under section 701(b)(2)(B)(i), the Secretary shall make
4 grants for the purpose of assisting the development and
5 implementation of neighborhood revitalization projects in
6 eligible neighborhoods, which may include projects in
7 which grantees participate as developers or joint-venture
8 partners with for-profit entities.

9 (b) SELECTION PROCESS.—

10 (1) IN GENERAL.—The Secretary shall select
11 grantees under this section on a non-competitive
12 basis, through negotiation with the grantee.

13 (2) SELECTION CRITERIA.—In selecting
14 projects, the Secretary shall consider the extent to
15 which the assisted activities will—

16 (A) provide essential goods and services to
17 residents of the neighborhood;

18 (B) generate jobs for residents of the
19 neighborhood, especially for residents who are
20 chronically unemployed or receive welfare;

21 (C) be an essential element of, and catalyst
22 for, the comprehensive physical and economic
23 revitalization of the neighborhood;

24 (D) build the economic base of the neigh-
25 borhood through such measures as business ex-

1 pansion, and job opportunities and meaningful
2 reinvestment of a share of the profits of a suc-
3 cessful project in the neighborhood, including
4 economically empowering neighborhood resi-
5 dents to carry out additional neighborhood de-
6 velopment projects;

7 (E) leverage public and private investment
8 (other than assistance under this subtitle) in
9 the physical and economic revitalization of the
10 neighborhood and in the activities proposed to
11 be assisted; and

12 (F) meet such other factors as the Sec-
13 retary deems appropriate to carry out the objec-
14 tives of this section.

15 (c) AUTHORITY OF SECRETARY.—The Secretary
16 shall prescribe such requirements for the making of grants
17 under this section as the Secretary deems appropriate.

18 COMPETITIVE GRANTS FOR PROJECT-BASED GRANTS

19 SEC. 705. (a) IN GENERAL.—Of amounts allocated
20 under section 701(b)(2)(B)(ii), the Secretary shall make
21 grants for the purpose of facilitating private and public
22 sector investment in economic revitalization projects in eli-
23 gible neighborhoods.

24 (b) APPLICATIONS.—

25 (1) FORM AND PROCEDURE.—An application
26 for a grant under this section shall be submitted in

1 such form and in accordance with such procedures
2 as the Secretary shall prescribe.

3 (2) MINIMUM REQUIREMENTS.—An application
4 shall at a minimum—

5 (A) request a grant under this section,
6 specifying the amount of the grant requested
7 and its proposed uses;

8 (B) demonstrate that the neighborhood in
9 which the proposed activities are to be carried
10 out is an eligible neighborhood under section
11 702;

12 (C) describe the applicant's comprehensive
13 strategy for the physical and economic revital-
14 ization of the neighborhood;

15 (D) demonstrate that the proposed activi-
16 ties are an integral part of this strategy;

17 (E) demonstrate that the proposed project
18 is consistent with, and an integral part of, the
19 relevant housing and community development
20 plans of the State or unit of general local gov-
21 ernment; and

22 (F) contain a certification that the appli-
23 cant will comply with the requirements of the
24 Fair Housing Act, title VI of the Civil Rights
25 Act of 1964, section 504 of the Rehabilitation

1 Act of 1973, and the Age Discrimination Act of
2 1975, and will affirmatively further fair hous-
3 ing.

4 (c) SELECTION CRITERIA.—The Secretary shall es-
5 tablish selection criteria for awarding grants under this
6 section. These criteria shall consider the extent to which
7 the assisted activities—

8 (1) generate jobs for residents of the neighbor-
9 hood, especially for residents who are chronically un-
10 employed or receive welfare;

11 (2) build the economic base of the neighborhood
12 through such measures as business expansion, and
13 job opportunities and meaningful reinvestment of a
14 share of the profits of a successful project in the
15 neighborhood, including economically empowering
16 neighborhood residents to carry out additional neigh-
17 borhood development projects;

18 (3) are sponsored by for-profit or non-profit
19 development partnerships with a proven record of
20 success;

21 (4) build upon and expand the capacity of local
22 institutions to carry out neighborhood revitalization;

23 (5) are an integral part of the housing and
24 community development plans of the appropriate
25 governmental jurisdiction; and

1 (6) meet such other factors as the Secretary
2 deems appropriate to carry out the objectives of this
3 section.

4 (d) GRANT LIMITATIONS.—

5 (1) NEED FOR GRANT.—A grant may be made
6 under this section only if the Secretary determines
7 that the grantee has made efforts to complete the
8 project without a grant under this section, but can-
9 not do so consistent with the timely execution of the
10 project without the grant.

11 (2) NUMBER OF APPLICATIONS.—The Secretary
12 shall establish limits on the number of applications
13 submitted by individual grantees within any unit of
14 general local government, State, or Indian tribe for
15 each announcement of funding availability that is
16 published in the Federal Register.

17 (3) GRANT CAP.—The Secretary shall establish
18 aggregate limits on the grant amounts that may be
19 made available to individual grantees within a unit
20 of general local government, State, or Indian tribe
21 for each announcement of funding availability that is
22 published in the Federal Register.

23 (e) AUTHORITY OF SECRETARY.—The Secretary
24 shall prescribe such requirements for the making of grants
25 under this section as the Secretary deems appropriate.

1 RECORDS, REPORTS, AND AUDITS

2 SEC. 706. (a) KEEPING OF RECORDS.—Each grantee
3 shall keep such records as may be reasonably necessary
4 to disclose the amounts and the disposition of grant
5 amounts received under this subtitle and to ensure compli-
6 ance with the requirements of this subtitle.

7 (b) GRANTEE REPORTS.—Each grantee shall submit
8 to the Secretary a report, or series of reports, in a form
9 and at a time specified by the Secretary. Each report
10 shall—

11 (1) describe the use of funds made available
12 under this subtitle; and

13 (2) describe and analyze the effect of assisted
14 activities in addressing the objectives of this subtitle.

15 (c) ACCESS TO DOCUMENTS BY THE SECRETARY.—
16 The Secretary shall have access for the purpose of audit
17 and examination to any books, documents, papers, and
18 records of the grantee that are pertinent to assistance re-
19 ceived in connection with, and the requirements of, this
20 subtitle.

21 (d) ACCESS TO DOCUMENTS BY THE COMPTROLLER
22 GENERAL.—The Comptroller General of the United
23 States, or any of the duly authorized representatives of
24 the Comptroller General, shall have access for the purpose
25 of audit and examination to any books, documents, papers,

1 and records of the grantee that are pertinent to assistance
2 received under, and the requirements of, this subtitle.

3 TRAINING AND INFORMATION ACTIVITIES

4 SEC. 707. From amounts set aside under section
5 701(b)(1), the Secretary shall carry out, directly or
6 through contracts, training, information, and technical as-
7 sistance activities with respect to the programs authorized
8 by this subtitle.

9 DEFINITIONS

10 SEC. 708. As used in this subtitle:

11 (1) The term “Indian tribe” has the meaning
12 given such term in section 102(a)(17) of the Hous-
13 ing and Community Development Act of 1974.

14 (2) The term “neighborhood” means an area
15 consisting of such geographic and other characteris-
16 tics as the Secretary may prescribe.

17 (3) The term “nonprofit organization” means—

18 (A) an organization—

19 (i) that is described in section 501(c)
20 of the Internal Revenue Act of 1986; and

21 (ii) is exempt from taxation under
22 section 501(a) of such Code; or

23 (B) an organization—

24 (i) no part of the net earnings of
25 which inures to the benefit of any member,
26 founder, contributor, or individual;

1 (ii) that in the case of a private non-
2 profit organization, has a voluntary board;

3 (iii) that has an accounting system, or
4 has designated a fiscal agent in accordance
5 with requirements established by the Sec-
6 retary; and

7 (iv) that practices nondiscrimination
8 in the provision of assistance.

9 (4) The term “Secretary” means the Secretary
10 of Housing and Urban Development.

11 (5) The term “State” has the meaning given
12 the term in section 102(a)(2) of the Housing and
13 Community Development Act of 1974.

14 (6) The term “unit of general local govern-
15 ment” means—

16 (A) a city, town, township, county, parish,
17 village, or other general purpose political sub-
18 division of a State;

19 (B) the District of Columbia; and

20 (C) any agency or instrumentality thereof
21 that is established pursuant to legislation and
22 designated by the chief executive to act on be-
23 half of the jurisdiction with regard to provisions
24 of this subtitle.

1 The term includes a consortium of geographically
 2 contiguous units of general local government, if the
 3 Secretary determines that the consortium—

4 (i) has sufficient authority and administra-
 5 tive capability to carry out the purposes of this
 6 subtitle on behalf of its member jurisdictions;
 7 and

8 (ii) meets such other requirements as the
 9 Secretary may prescribe.

10 Subtitle B—Community Viability Fund

11 PROGRAM AUTHORIZATION

12 SEC. 711. Section 123 of the Housing and Urban-
 13 Rural Recovery Act of 1983 is amended to read as follows:

14 “COMMUNITY VIABILITY FUND

15 “SEC. 123. (a) AUTHORIZATION.—

16 “(1) PROGRAM AUTHORITY.—The Secretary is
 17 authorized, in accordance with the provisions of this
 18 section—

19 “(A) to make grants for strategic planning
 20 and urban design, as provided in subsection (b);

21 “(B) to make grants for community insti-
 22 tution building and neighborhood development,
 23 as provided in section (c); and

24 “(C) to provide analysis, information dis-
 25 semination, travel, technical assistance, and rec-
 26 ognition awards, as provided in section (d).

1 “(2) FUNDING AUTHORITY.—

2 “(A) IN GENERAL.—There are authorized
3 to be appropriated for purposes of this section
4 \$130,000,000 for fiscal year 1995 and such
5 sums as may be necessary for fiscal year 1996.
6 Any amounts appropriated shall remain avail-
7 able until expended.

8 “(B) OVERALL ALLOCATION OF FUNDS.—
9 Of the amounts appropriated under paragraph
10 (2) for each such year—

11 “(i) not to exceed \$30,000,000 shall
12 be available for grants for strategic plan-
13 ning and urban design under subsection
14 (b);

15 “(ii) not to exceed \$100,000,000 shall
16 be available for grants for community in-
17 stitution building and neighborhood devel-
18 opment under subsection (c); and

19 “(iii) not to exceed \$10,000,000 shall
20 be available for analysis, information dis-
21 semination, travel, technical assistance,
22 and recognition awards under subsection
23 (d).

24 “(b) GRANTS FOR STRATEGIC PLANNING AND
25 URBAN DESIGN.—

1 “(1) IN GENERAL.—From amounts set aside
2 under subsection (a)(2)(B)(i), the Secretary is au-
3 thorized to make grants in furtherance of the objec-
4 tives of this subsection to States; units of general
5 local government; and metropolitan, non-metropoli-
6 tan, and regional planning agencies.

7 “(2) CATEGORIES OF ACTIVITIES.—The Sec-
8 retary is authorized to allocate amounts available
9 under this subsection for the following categories of
10 activities—

11 “(A) urban design and the development of
12 public amenities in lower income neighborhoods
13 that serve as a catalyst for the renewal of the
14 neighborhood;

15 “(B) development and implementation of
16 comprehensive plans that focus on local and
17 metropolitan strategies which create sustainable
18 community development at the neighborhood,
19 city, and metropolitan level;

20 “(C) expanding economic opportunities for
21 persons of low and moderate income through
22 areawide planning approaches that provide edu-
23 cational and employment opportunities for such
24 persons;

1 “(D) coordinated efforts that stimulate fair
2 housing, further the deconcentration of the poor
3 and minorities, reduce the isolation of income
4 groups within communities, remove barriers to
5 affordable housing development, and expand
6 housing opportunities for persons of low and
7 moderate income;

8 “(E) the conservation of important his-
9 toric, visual, and cultural features;

10 “(F) the development and implementation
11 of comprehensive approaches that integrate
12 poorer, inner-city neighborhoods into the great-
13 er metropolitan region; and

14 “(G) such other categories as the Sec-
15 retary determines will further the purposes of
16 this subsection.

17 “(3) ALLOCATION OF FUNDS.—From amounts
18 available under this subsection for any fiscal year,
19 the Secretary shall use—

20 “(A) 75 percent for competitive grants
21 under paragraph (4); and

22 “(B) 25 percent for non-competitive grants
23 under paragraph (5).

24 “(4) COMPETITIVE GRANTS.—An application
25 for a competitive grant under this subsection shall

1 contain such information, and be submitted by an
2 applicant in such form and in accordance with such
3 procedures, as the Secretary shall prescribe.

4 “(5) NON-COMPETITIVE GRANTS.—The Sec-
5 retary shall select grantees for non-competitive
6 grants under this subsection through negotiation
7 with the grantee.

8 “(6) SELECTION CRITERIA.—The Secretary
9 shall establish selection criteria for grants under
10 paragraphs (4) and (5). The criteria shall include
11 factors such as the extent to which the activities pro-
12 posed for assistance—

13 “(A) involve interagency and intergovern-
14 mental coordination of Federal, State, and local
15 public, private, and non-profit resources in an
16 integrated manner;

17 “(B) represent an innovative approach to
18 furthering the objectives of this section; and

19 “(C) are part of an overall strategic revi-
20 talization plan.

21 “(7) AUTHORITY OF SECRETARY.—The Sec-
22 retary shall prescribe such additional requirements
23 for the making of grants under this subsection as
24 the Secretary deems appropriate.

1 “(c) GRANTS FOR COMMUNITY INSTITUTION BUILD-
2 ING AND NEIGHBORHOOD DEVELOPMENT.—

3 “(1) IN GENERAL.—From amounts set aside
4 under subsection (a)(2)(B)(ii), the Secretary is au-
5 thorized to make grants to eligible neighborhood de-
6 velopment organizations, non-profit organizations,
7 and entities that assist such organizations in carry-
8 ing out activities under this section, to provide train-
9 ing and other forms of capacity building assistance
10 to improve and expand the ability of community and
11 neighborhood organizations to carry out housing and
12 development programs, and to carry out neighbor-
13 hood development activities, including those specified
14 in paragraphs (3) (B) through (F).

15 “(2) ALLOCATION OF FUNDS.—From amounts
16 available under this subsection for any fiscal year,
17 the Secretary shall use—

18 “(A) 75 percent for competitive grants
19 under paragraph (4); and

20 “(B) 25 percent for non-competitive grants
21 under paragraph (5).

22 “(3) ELIGIBLE ACTIVITIES.—Activities eligible
23 for assistance under this subsection include—

1 “(A) training, technical assistance, and ca-
2 capacity building for new and existing organiza-
3 tions and institutions;

4 “(B) building the capacity of neighborhood
5 organizations and institutions, such as Commu-
6 nity Development Corporations, community
7 banks, and credit unions;

8 “(C) establishing new community-based or-
9 ganizations and institutions;

10 “(D) promoting joint ventures that expand
11 housing, educational, and employment choices
12 for inner city residents;

13 “(E) creating permanent jobs available to
14 persons of low and moderate income and unem-
15 ployed populations;

16 “(F) establishing or expanding business
17 opportunities within low- and moderate-income
18 neighborhoods;

19 “(G) developing, rehabilitating, or manag-
20 ing neighborhood housing stock;

21 “(H) developing delivery mechanisms for
22 essential services that have lasting benefit to
23 the community and neighborhood;

24 “(I) planning, promoting, or financing vol-
25 untary neighborhood improvement efforts; and

1 “(J) such other activities that the Sec-
2 retary determines further the purposes of this
3 subsection.

4 “(4) COMPETITIVE GRANTS.—An application
5 for a competitive grant under this subsection shall
6 contain such information, and be submitted by an
7 applicant in such form and in accordance with such
8 procedures, as the Secretary shall prescribe.

9 “(5) NON-COMPETITIVE GRANTS.—The Sec-
10 retary shall select grantees for non-competitive
11 grants under this subsection through negotiation
12 with the grantee.

13 “(6) SELECTION CRITERIA.—The Secretary
14 shall establish selection criteria for grants under
15 paragraphs (4) and (5). The criteria shall include
16 the extent to which the proposed activities will—

17 “(A) develop new community and neigh-
18 borhood groups in previously unorganized areas
19 for groups that do not yet have the track record
20 necessary to secure project-based funding;

21 “(B) develop new organizations that link
22 housing, economic, and human development;

23 “(C) coordinate with local law enforcement
24 agencies or local public housing agencies involv-
25 ing anti-crime initiatives;

1 “(D) leverage matching contributions to
2 support a wide variety of community develop-
3 ment initiatives from the private sector; founda-
4 tions; colleges and universities; civic groups; so-
5 cial, cultural, religious, and other institutions;
6 and the national service program in a manner
7 that achieves greater long-term private sector
8 support;

9 “(E) build the managerial, financial, and
10 administrative capacity of the applicant organi-
11 zation or the community organizations to which
12 it proposes to provide services; and

13 “(F) assist eligible neighborhood develop-
14 ment organizations.

15 “(7) AUTHORITY OF SECRETARY.—The Sec-
16 retary shall prescribe such additional requirements
17 for the making of grants under this subsection as
18 the Secretary deems appropriate.

19 “(d) RECOGNITION AWARDS.—

20 “(1) IN GENERAL.—From amounts set aside
21 under subsection (a)(2)(B)(iii), the Secretary is au-
22 thorized to provide awards recognizing excellence
23 and innovation in the preparation and implementa-
24 tion of community-wide and regional strategies or

1 activities hat successfully further sustainable com-
2 munity development by—

3 “(A) expanding fair housing opportunities;

4 “(B) furthering economic revitalization;

5 “(C) reducing economic isolation of income
6 groups within communities and the region;

7 “(D) expanding housing, educational, and
8 employment choices for persons of low and
9 moderate income throughout a metropolitan
10 area;

11 “(E) providing amenities in lower income
12 neighborhoods that serve as a catalyst for and
13 result in the neighborhood’s revitalization; or

14 “(F) such other means as the Secretary
15 deems appropriate.

16 “(2) USE OF FUNDS.—The Secretary may use
17 amounts under this subsection—

18 “(A) to provide grants to, or to enter into
19 contracts with, public and private organizations
20 (including governmental, non-profit, and for-
21 profit organizations) to assist in the analysis
22 and selection of award recipients, the provision
23 (directly or by contract) of technical assistance,
24 and the dissemination of information used to

1 carry out the programs authorized under sub-
2 sections (b) and (c);

3 “(B) to defray the costs of the Secretary
4 in administering the program authorized by this
5 subsection, including (but not limited to) such
6 costs as—

7 “(i) printing and disseminating infor-
8 mation;

9 “(ii) holding conferences;

10 “(iii) establishing and using design ju-
11 ries selected by the Secretary;

12 “(iv) providing nominal awards to
13 winning nominees;

14 “(v) holding competitions for awards,
15 including travel and per diem costs; and

16 “(vi) travel of award winners to at-
17 tend follow-on conferences endorsed by the
18 Secretary and to provide peer-to-peer as-
19 sistance to other appropriate individuals
20 and entities; and

21 “(C) providing technical assistance, di-
22 rectly or by contract, to further the purposes of
23 this subsection.

24 “(3) AUTHORITY OF SECRETARY.—The Sec-
25 retary shall prescribe such requirements for recogni-

1 tion awards under this subsection as the Secretary
2 deems appropriate.

3 “(e) RECORDS, REPORTS, AND AUDITS.—

4 “(1) KEEPING OF RECORDS.—Each grantee
5 under this section shall keep such records as may be
6 reasonably necessary to disclose the amounts and
7 the disposition of grant amounts received under this
8 section and to ensure compliance with the require-
9 ments of this section.

10 “(2) GRANTEE REPORTS.—Each such grantee
11 shall submit to the Secretary a report, or series of
12 reports, in a form and at a time specified by the
13 Secretary. Each report shall—

14 “(A) describe the use of funds made avail-
15 able under this section; and

16 “(B) describe and analyze the effect of as-
17 sisted activities in addressing the purposes of
18 this section.

19 “(3) ACCESS TO DOCUMENTS BY THE SEC-
20 RETARY.—The Secretary shall have access for the
21 purpose of audit and examination to any books, doc-
22 uments, papers, and records of the grantee that are
23 pertinent to assistance received in connection with,
24 and the requirements of, this section.

1 “(4) ACCESS TO DOCUMENT BY THE COMP-
2 TROLLER GENERAL.—The Comptroller General of
3 the United States, or any of the duly authorized rep-
4 resentatives of the Comptroller General, shall have
5 access for the purpose of audit and examination to
6 any books, documents, papers, and records of the
7 grantee that are pertinent to assistance received
8 under, and the requirements of, this section.

9 “(f) DEFINITIONS.—As used in this section:

10 “(1) For purposes of subsection (c), the term
11 ‘eligible neighborhood development organization’
12 means—

13 “(A) an entity organized as a nonprofit or-
14 ganization incorporated under the laws of the
15 State in which it operates;

16 “(B) an organization that is responsible to
17 residents of its neighborhood through a govern-
18 ing body, not less than 51 percent of the mem-
19 bers of which reside within the boundaries of
20 the area served;

21 “(C) an organization that has conducted
22 business for at least one year before the date of
23 an application for a grant; and

24 “(D) an organization that conducts neigh-
25 borhood development activities that have as

1 their primary beneficiaries persons of low and
2 moderate income.

3 “(2) The term ‘nonprofit organization’ means—

4 “(A) an organization—

5 “(i) that is described in section 501(c)
6 of the Internal Revenue Act of 1986; and

7 “(ii) is exempt from taxation under
8 section 501(a) of such Code; or

9 “(B) an organization—

10 “(i) no part of the net earnings of
11 which inures to the benefit of any member,
12 founder, contributor, or individual;

13 “(ii) that in the case of a private non-
14 profit organization, has a voluntary board;

15 “(iii) that has an accounting system,
16 or has designated a fiscal agent in accord-
17 ance with requirements established by the
18 Secretary; and

19 “(iv) that practices nondiscrimination
20 in the provision of assistance.

21 “(3) The term ‘persons of low- and moderate-
22 income’ has the meaning given the term in section
23 102(a)(20) of the Housing and Community Develop-
24 ment Act of 1974.

1 “(4) The term ‘Secretary’ means the Secretary
2 of Housing and Urban Development.

3 “(5) The term ‘State’ has the meaning given
4 the term in section 102(a)(2) of the Housing and
5 Community Development Act of 1974.

6 “(6) The term ‘unit of general local govern-
7 ment’ means—

8 “(A) a city, town, township, county, parish,
9 village, or other general purpose political sub-
10 division of a State;

11 “(B) the District of Columbia; and

12 “(C) any agency or instrumentality thereof
13 that is established pursuant to legislation and
14 designated by the chief executive to act on be-
15 half of the jurisdiction with regard to provisions
16 of this section.

17 The term includes a consortium of geographically
18 contiguous units of general local government, if the
19 Secretary determines that the consortium—

20 “(i) has sufficient authority and adminis-
21 trative capability to carry out the purposes of
22 this section on behalf of its member jurisdic-
23 tions; and

24 “(ii) meets such other requirements as the
25 Secretary may prescribe.”.

1 SEC. 712. SAVINGS PROVISION.—(a) PREVIOUS
2 GRANTS.—Any grant approved under such section 123 be-
3 fore the effective date of this section shall continue to be
4 governed by the provisions of section 123.

5 (b) EFFECTIVE DATE.—This section shall become ef-
6 fective on the later of October 1, 1994 or the date of en-
7 actment of this Act.

8 Subtitle C—Colonias Assistance Program Authorization

9 SEC. 721. (a) PROGRAM AUTHORIZATION.—The Sec-
10 retary is authorized to make grants in accordance with
11 the provisions of this subtitle to units of general local gov-
12 ernment, States, non-profit organizations, or entities or
13 instrumentalities established under the authority of any
14 of these entities, for use in addressing the community de-
15 velopment and housing needs of colonias.

16 (b) FUNDING AUTHORIZATION.—

17 (1) IN GENERAL.—There are authorized to be
18 appropriated for purposes of this subtitle
19 \$100,000,000 for each of fiscal years 1995 and
20 1996. Any amount appropriated shall remain avail-
21 able until expended.

22 (2) ALLOCATION OF FUNDS.—Of the amounts
23 appropriated under paragraph (1) for any fiscal
24 year—

1 (A) 80 percent shall be available for grants
2 to establish model programs under section 723;
3 and

4 (B) 20 percent shall be available for com-
5 petitive grants under section 724.

6 ELIGIBLE ACTIVITIES

7 SEC. 722. Assistance under this subtitle may be used
8 to carry out the following activities—

9 (1) any activity eligible under section 105 of the
10 Housing and Community Development Act of 1974
11 or section 212(a) of the HOME Investment Partner-
12 ships Act;

13 (2) refinancing the existing debt of homeowners
14 to convert existing ownership regimes into mort-
15 gages;

16 (3) the construction of new housing, including
17 self-help, energy-efficient, and innovative housing de-
18 sign initiatives;

19 (4) the development of new subdivisions for af-
20 fordable housing;

21 (5) the re-platting and redevelopment of exist-
22 ing subdivisions;

23 (6) the planning for, and construction of, infra-
24 structure necessary for the development of housing,
25 economic development, and community facilities and
26 amenities; and

1 (7) such other activities as the Secretary deems
2 appropriate to further the purposes of this subtitle.

3 MODEL PROGRAMS

4 SEC. 723. (a) IN GENERAL.—Of amounts allocated
5 under section 721(b)(2)(A), the Secretary shall make
6 grants to the entities referred to in section 721(a) for the
7 purpose of establishing model programs of assistance for
8 addressing the community development, housing, and
9 other needs of the residents of the colonias.

10 (b) SELECTION OF GRANTEES.—

11 (1) GEOGRAPHIC DISTRIBUTION.—The Sec-
12 retary shall designate—

13 (A) at least one project in each State; and

14 (B) at least one project within a metropoli-
15 tan area in any State.

16 (2) SELECTION PROCESS.—

17 (A) IN GENERAL.—The Secretary shall se-
18 lect grantees under this section on a non-com-
19 petitive basis, through negotiation with the
20 grantee.

21 (B) SELECTION CRITERIA.—In selecting
22 projects, the Secretary shall consider—

23 (i) the extent of need in the colonia;

24 (ii) the likely effectiveness of the pro-
25 posed approach in addressing identified
26 needs;

1 (iii) the extent to which funding for
2 the project is committed from sources
3 other than under this subtitle;

4 (iv) the need to consider a variety of
5 solutions to a variety of needs situations;
6 and

7 (v) such other factors as the Secretary
8 deems appropriate to carry out the objec-
9 tives of this subtitle.

10 COMPETITIVE GRANTS

11 SEC. 724. (a) FUNDING SET-ASIDE.—

12 (1) IN GENERAL.—Of amounts allocated under
13 section 721(b)(2)(B), the Secretary shall set aside a
14 target amount for grants under this section for use
15 in colonias in each State. The Secretary shall deter-
16 mine the amount to be set aside, based on such ob-
17 jective factors of need as the Secretary deems appro-
18 priate, which may include rates of poverty in, and
19 the population of, colonias. The Secretary shall re-
20 allocate any amounts set-aside under this paragraph
21 for which the Secretary determines there will not be
22 sufficient approvable applications in a fiscal year.

23 (2) USE OF FUNDS.—Any amount not set aside
24 or reallocated under paragraph (1) may be used in
25 colonias in any State.

1 (b) AUTHORITY TO MAKE GRANTS.—Grants under
2 this section shall be made, in accordance with subsection
3 (a), to the entities referred to in section 721(a), for the
4 purpose of assisting the community development and
5 housing needs of the residents of one or more colonias in
6 an area or region.

7 (c) APPLICATIONS.—Applications under this section
8 shall contain such information, and shall be submitted at
9 such time and in accordance with such procedures, as the
10 Secretary shall prescribe.

11 (d) SELECTION OF GRANTEES.—

12 (1) IN GENERAL.—The Secretary shall select
13 grantees under this section on the basis of a com-
14 petition, following publication of a notice of funding
15 availability in the Federal Register.

16 (2) SELECTION CRITERIA.—In selecting
17 projects, the Secretary shall consider—

18 (A) the extent of need in the colonia;

19 (B) the likely effectiveness of the proposed
20 approach in addressing identified needs;

21 (C) the extent to which funding for the
22 project is committed from sources other than
23 under this subtitle;

1 (D) the extent to which the application
2 represents an innovative approach to addressing
3 the needs of colonias; and

4 (E) such other factors as the Secretary
5 deems appropriate to carry out the objectives of
6 this subtitle.

7 RECORDS, REPORTS, AND AUDITS

8 SEC. 725. (a) KEEPING OF RECORDS.—Each grantee
9 shall keep such records as may be reasonably necessary
10 to disclose the amounts and the disposition of grant
11 amounts received under this subtitle and to ensure compli-
12 ance with the requirements of this subtitle.

13 (b) GRANTEE REPORTS.—Each grantee shall submit
14 to the Secretary a report, or series of reports, in a form
15 and at a time specified by the Secretary. Each report
16 shall—

17 (1) describe the use of funds made available
18 under this subtitle; and

19 (2) describe the analyze the effect of assisted
20 activities in addressing the community development
21 and housing needs of the residents of colonias.

22 (c) ACCESS TO DOCUMENTS BY THE SECRETARY.—
23 The Secretary shall have access for the purpose of audit
24 and examination to any books, documents, papers, and
25 records of the grantee that are pertinent to assistance re-

1 ceived in connection with, and the requirements of, this
2 subtitle.

3 (d) ACCESS TO DOCUMENTS BY THE COMPTROLLER
4 GENERAL.—The Comptroller General of the United
5 States, or any of the duly authorized representatives of
6 the Comptroller General, shall have access to the purpose
7 of audit and examination to any books, documents, papers,
8 and records of the grantee that are pertinent to assistance
9 received under, and the requirements of, this subtitle.

10 DEFINITIONS

11 SEC. 726. As used in this subtitle:

12 (1) The terms “colonia” and “United States-
13 Mexico Border Region” have the meanings given
14 those terms in sections 916(e) (1) and (4), respec-
15 tively, of the Cranston-Gonzalez National Affordable
16 Housing Act.

17 (2) The term “metropolitan area” has the
18 meaning given the term in section 102(a)(3) of the
19 Housing and Community Development Act of 1974.

20 (3) The term “nonprofit organization” means—

21 (A) an organization—

22 (i) that is described in section 501(c)
23 of the Internal Revenue Act of 1986; and

24 (ii) that is exempt from taxation
25 under section 501(a) of such Code; or

26 (B) an organization—

1 (i) no part of the net earnings of
2 which inures to the benefit of any member,
3 founder, contributor, or individual;

4 (ii) that in the case of a private non-
5 profit organization, has a voluntary board;

6 (iii) that has an accounting system, or
7 has designated a fiscal agent in accordance
8 with requirements established by the Sec-
9 retary; and

10 (iv) that practices nondiscrimination
11 in the provision of assistance.

12 (4) The term “Secretary” means the Secretary
13 of Housing and Urban Development.

14 (5) The term “State” means the States of
15 California, Arizona, New Mexico, and Texas.

16 (6) The term “unit of general local govern-
17 ment” means—

18 (A) a city, town, township, county, parish,
19 village, or other general purpose political sub-
20 division of a State;

21 (B) the District of Columbia; and

22 (C) any agency or instrumentality thereof
23 that is established pursuant to legislation and
24 designated by the chief executive to act on be-

1 half of the jurisdiction with regard to provisions
2 of this subtitle.

3 The term includes a consortium of geographically
4 contiguous units of general local government, if the
5 Secretary determines that the consortium—

6 (i) has sufficient authority and administra-
7 tive capability to carry out the purposes of this
8 subtitle on behalf of its member jurisdictions;
9 and

10 (ii) meets such other requirements as the
11 Secretary may prescribe.

12 EXTENSION OF COLONIA PROGRAM UNDER SECTION 916
13 OF THE CRANSTON-GONZALEZ NATIONAL AFFORD-
14 ABLE HOUSING ACT

15 SEC. 727. Section 916(f) of the Cranston-Gonzalez
16 National Affordable Housing Act is amended by striking
17 “1991” and all that follows up to the period and inserting
18 in lieu thereof the following: “beginning before fiscal year
19 1998”.

20 Subtitle D—Zone Economic Development Initiative
21 Authorization

22 SEC. 731. The Secretary of Housing and Urban De-
23 velopment may make grants to units of general local gov-
24 ernment in which Empowerment Zones and Enterprise
25 Communities have been designated pursuant to section
26 1391 of the Internal Revenue Code of 1986.

PURPOSE

1
2 SEC. 732. The purpose of grants under this subtitle
3 is to assist units of general local government in imple-
4 menting the strategic plan for community revitalization re-
5 quirement for each designated Zone and Community by
6 expanding business opportunities and job creation and by
7 stimulating the use of project-based rental assistance cer-
8 tificates and other activities to construct or rehabilitate
9 rental housing.

ELIGIBLE ACTIVITIES

10
11 SEC. 733. (a) ECONOMIC DEVELOPMENT.—Economic
12 development activities are those that are eligible under
13 title I of the Housing and Community Development Act
14 of 1974.

15 (b) ASSISTED HOUSING.—Eligible assisted housing
16 activities include, but are not limited to—

17 (1) project-based assistance activities eligible
18 under section 8 of the United States Housing Act of
19 1937 or similar State and local programs; and

20 (2) activities eligible for assistance under the
21 HOME program or a similar local affordable hous-
22 ing program.

23 (c) TECHNICAL ASSISTANCE.—From amounts set
24 aside under section 737(b), the Secretary shall carry out,
25 directly or through contracts, training and information ac-

1 tivities in connection with the program authorized by this
2 subtitle.

3 ALLOCATION OF FUNDS

4 SEC. 734. (a) APPLICATION.—A locality in which an
5 empowerment zone or enterprise community has been des-
6 ignated, where the designation remains in effect, may sub-
7 mit an application to the Secretary for a grant under this
8 subtitle. The application shall contain such information
9 and certifications as the Secretary may require, including
10 a certification that the grant will be used in accordance
11 with the approved strategic plan. Where a zone or commu-
12 nity is within the jurisdiction of more than one unit of
13 general local government, each shall join in the applica-
14 tion. The application shall specify whether, and if so how,
15 the grant is to be divided among one or more governments.

16 (b) FUNDING.—For applications approved by the
17 Secretary—

18 (1) each urban Empowerment Zone shall re-
19 ceive \$50,000,000;

20 (2) each rural Empowerment Zone shall receive
21 \$20,000,000; and

22 (3) each Enterprise Community shall receive
23 \$1,400,000.

24 (c) TERMS AND CONDITIONS.—Grants made under
25 this subtitle shall be subject to such terms and conditions
26 as the Secretary may establish.

1 USE IN CONJUNCTION WITH LOAN GUARANTEES

2 SEC. 735. Grants made under this subtitle may be
3 used in conjunction with loans guaranteed under section
4 108 of the Housing and Community Development Act of
5 1974 and section 227 of the Home Investment Partner-
6 ships Act.

7 RECORDS, REPORTS, AND AUDITS

8 SEC. 736. (a) KEEPING OF RECORDS.—Each grantee
9 shall keep such records as may be reasonably necessary
10 to disclose the amounts and the disposition of grant
11 amounts received under this subtitle and to ensure compli-
12 ance with the requirements of this subtitle.

13 (b) GRANTEE REPORTS.—Each grantee shall submit
14 to the Secretary a report, or series of reports, in a form
15 and at a time specified by the Secretary. Each report
16 shall—

17 (1) describe the use of funds made available
18 under this subtitle; and

19 (2) describe and analyze the effect of assisted
20 activities in addressing the objectives of this subtitle.

21 (c) ACCESS TO DOCUMENTS BY THE SECRETARY.—
22 The Secretary shall have access for the purpose of audit
23 and examination to any books, documents, papers, and
24 records of the grantee that are pertinent to assistance re-
25 ceived in connection with, and the requirements of, this
26 subtitle.

1 (d) ACCESS TO DOCUMENTS BY THE COMPTROLLER
 2 GENERAL.—The Comptroller General of the United
 3 States, or any of the duly authorized representatives of
 4 the Comptroller General, shall have access for the purpose
 5 of audit and examination to any books, documents, papers,
 6 and records of the grantee that are pertinent to assistance
 7 received under, and the requirements of, this subtitle.

8 FUNDING AUTHORIZATION

9 SEC. 737. (a) There authorized to be appropriated
 10 for purposes of this subtitle \$500,000,000 for fiscal year
 11 1995 and such sums as may be necessary for fiscal year
 12 1996. Any amount appropriated shall remain available
 13 until expended.

14 (b) Of the amounts appropriated under subsection (a)
 15 for any fiscal year and not allocated under section 734(b),
 16 the Secretary shall set aside any balance to carry out the
 17 training and information activities referred to in section
 18 733(c).

19 Subtitle E—Authorizations of Appropriations

20 CAPACITY BUILDING FOR COMMUNITY DEVELOPMENT
 21 AND AFFORDABLE HOUSING

22 SEC. 741. Section 4(e) of the HUD Demonstration
 23 Act of 1993 (42 U.S.C. 9816 note) is amended to read
 24 as follows:

25 “(e) AUTHORIZATION.—There are authorized to be
 26 appropriated \$20,000,000 for fiscal year 1995 and such

1 sums as may be necessary for fiscal year 1996, to carry
2 out this section.”.

3 COMMUNITY DEVELOPMENT BLOCK GRANTS

4 SEC. 742. (a) COMMUNITY DEVELOPMENT BLOCK
5 GRANTS.—The second sentence of section 103 of the
6 Housing and Community Development Act of 1974 (42
7 U.S.C. 5303) is amended to read as follows: “For pur-
8 poses of assistance under section 106, there are authorized
9 to be appropriated \$4,400,000,000 for fiscal year 1995
10 and \$4,400,000,000 for fiscal year 1996.”.

11 (b) LIMITATION ON LOAN GUARANTEES.—The fifth
12 sentence of section 108(a) of the Housing and Community
13 Development Act of 1974 (42 U.S.C. 5308(a)) is amended
14 to read as follows: “Notwithstanding any other provision
15 of law and subject only to the absence of qualified appli-
16 cants or proposed activities and to the authority provided
17 in this section, to the extent approved in appropriation
18 Acts, the Secretary shall enter into commitments to guar-
19 antee notes and obligations under this section with an ag-
20 gregate principal amount of \$2,054,000,000 for fiscal year
21 1995 and \$2,054,000,000 for fiscal year 1996.”.

22 (c) SPECIAL PURPOSE GRANTS.—Section 107 of the
23 Housing and Community Development Act of 1974 (42
24 U.S.C. 5307(a)) is amended by striking out all that fol-
25 lows “the following purposes:” and inserting in lieu there-
26 of the following:

1 “(A) \$7,000,000 shall be available in each
2 such year for grants under subsection (b)(1);

3 “(B) \$6,500,000 shall be available in each
4 such year for grants under subsection (b)(3);

5 “(C) \$28,000,000 shall be available in
6 each such year for activities under subsection
7 (b)(4);

8 “(D) \$6,000,000 shall be available in each
9 such year under subsection (b)(5);

10 “(E) \$2,000,000 shall be available in each
11 such year for grants under subsection (b)(6);

12 “(F) \$3,000,000 shall be available in each
13 such year for grants under subsection (c); and

14 “(G) such sums as may be necessary shall
15 be available in each such year for grants under
16 paragraph (2) of subsection (b).”.

17 ECONOMIC DEVELOPMENT INITIATIVE

18 SEC. 743. Section 108(q)(1) of the Housing and
19 Community Development Act of 1974 (42 U.S.C. 5308)
20 is amended by adding to the end thereof the following sen-
21 tence: “There are authorized to be appropriated to carry
22 out this subsection \$50,000,000 for fiscal year 1995 and
23 such sums as may be necessary for fiscal year 1996, to
24 remain available until expended.”.

1 TITLE VIII—MANAGEMENT REFORM

2 Subtitle a—Improve the Allocation and Use of Assistance

3 LIMIT SECTION 8 CONTRACT RENT ADJUSTMENTS FOR

4 RENTS ABOVE SECTION 8 EXISTING HOUSING FMRS

5 SEC. 801. (a) Section 8(c)(2)(A) of the United States
6 Housing Act of 1937 is amended by inserting at the end
7 the following: “However, where the maximum monthly
8 rent, for a unit in a new construction, substantial rehabili-
9 tation, or moderate rehabilitation project, to be adjusted
10 using an annual adjustment factor exceeds the fair market
11 rental for an existing dwelling unit in the market area,
12 the Secretary shall adjust the rent only to the extent that
13 the owner demonstrates that the adjusted rent would not
14 exceed the rent for an unassisted unit of similar quality,
15 type, and age in the same market area, as determined by
16 the Secretary.”.

17 (b) The amendment made by subsection (a) shall
18 apply to all contracts for new construction, substantial re-
19 habilitation, and moderate rehabilitation projects under
20 which rents are adjusted under section 8(c)(2)(A) of such
21 Act by applying an annual adjustment factor.

22 PROVIDE INCENTIVES TO REFINANCE HIGH INTEREST

23 MORTGAGES FOR SECTION 8 PROJECTS

24 SEC. 802. Section 8 of the United States Housing
25 Act of 1937 is amended by inserting the following new
26 subsection at the end:

18 SEC. 803. (a) Section 8(v)(1) of the United States
19 Housing Act of 1937 is amended to read as follows:

“(v)(1) In the case of a contract entered into under this section for loan management assistance, the Secretary may reduce the number of units covered by the contract by one for each family that moves out of the project. This paragraph shall not apply in the case of a contract for loan management assistance entered into as an incentive under the Emergency Low Income Housing Preservation

1 Act of 1987 or the Low-Income Housing Preservation and
 2 Resident Homeownership Act of 1990.”.

3 (b) The amendment made by subsection (a) shall
 4 apply to all contracts for loan management assistance en-
 5 tered into under section 8 of such Act.

6 REDUCE AAF FOR UNITS WHERE FAMILY HAS NOT
 7 MOVED SINCE PREVIOUS YEAR

8 SEC. 804. (a) Section 8(c)(2)(A) of the United States
 9 Housing Act of 1937, as amended by section 801 of this
 10 Act, is further amended by inserting at the end the follow-
 11 ing: “For any unit occupied by the same family at the
 12 time of the last annual rent adjustment, where the assist-
 13 ance contract provides for the adjustment of the maximum
 14 monthly rent by applying an annual adjustment factor and
 15 where the rent for a unit is otherwise eligible for an ad-
 16 justment based on the full amount of the factor, 0.01 shall
 17 be subtracted from the amount of the factor, except that
 18 the factor shall not be reduced to less than 1.0.”.

19 (b) The amendment made by subsection (a) shall
 20 apply to all contracts that are subject to section 8(c)(2)(A)
 21 of such Act and that provide for rent adjustments using
 22 an annual adjustment factor.

23 PREFERENCE FOR WORKING FAMILIES

24 SEC. 805. The United States Housing Act of 1937
 25 is amended—

9 USE OF TECHNICAL ASSISTANCE FUND BY OR FOR HUD
10 STAFF

11 SEC. 806. Section 7 of the Department of Housing
12 and Urban Development Act is amended by adding at the
13 end thereof a new subsection, as follows:

“(r) The Secretary may transfer to any of the accounts of the Department for salaries and expenses from any other account from which funds may be drawn for technical assistance such amounts as the Secretary determines are reasonable to reimburse such salaries and expenses account. Such reimbursement shall be for expenditures for the costs of personal services, travel, and transportation, and other object classifications that are incurred for the technical assistance, training, and related activities provided by or to officials and employees of the Department for a program that is funded from such other account and in which the costs of technical assistance are otherwise eligible for expenditure. Up to 10 percent of the

1 amount that may be transferred may be used for technical
 2 assistance, training, travel, and related expenses provided
 3 to officials and employees of the Department. The author-
 4 ity to transfer provided in this subsection shall be in addi-
 5 tion to any other authority to transfer funds among ac-
 6 counts that the Secretary may now or hereafter have.”.

7 Subtitle B—Office of Public and Indian Housing

8 OVERSIGHT, TECHNICAL ASSISTANCE, EMERGENCY AC-
 9 TION RESOURCES, AND RESIDENT SURVEY FOR PUB-
 10 LIC HOUSING PROGRAMS

11 SEC. 811. (a) Section (3) of the United States Hous-
 12 ing Act of 1937 is amended by adding to the end thereof
 13 the following new subsection:

14 “(d) As used in sections 5 and 14, the term ‘technical
 15 assistance and services’ shall include (but not be limited
 16 to) any or all undertakings by the Secretary, directly using
 17 officials and employees of the Secretary, or indirectly
 18 under contract or otherwise, related to the inspection or
 19 oversight of project or program development or implemen-
 20 tation; training and technical assistance; public housing
 21 agency or Indian housing authority program, project, or
 22 general management; crisis management and operations;
 23 and survey research; and the preparation of reports of rec-
 24 ommendations to the Secretary.”.

1 (b) Section 5(c) of such Act is amended by adding
2 at the end thereof the following new paragraph:

3 “(9) From amounts appropriated pursuant to
4 this Act and earmarked for public housing develop-
5 ment (including Indian housing development) up to
6 one-half of one per centum shall be made available
7 to the Secretary for technical assistance and serv-
8 ices.”.

9 (c) Section 14(k)(1) of such Act is redesignated as
10 section 14(k)(1)(A), and amended by adding the following
11 new paragraph, after such redesignated subparagraph, as
12 follows:

13 “(B) From amounts approved in appro-
14 priation Acts for grants under this section in
15 any fiscal year, up to one per centum shall be
16 made available to the Secretary for technical as-
17 sistance and services.”.

18 RECAPTURE OF DEVELOPMENT AMOUNTS

19 SEC. 812. Section 5(k) of the United States Housing
20 Act of 1937 is amended by adding before the period at
21 the end of the first sentence a comma and the following:
22 “unless the Secretary finds that there is no feasible way
23 for the agency to begin construction or rehabilitation, or
24 to complete acquisition, within such period”.

1 Subtitle C—Office of Housing

2 SECTION 235 REFINANCING

3 SEC. 821. Section 235(r) of the National Housing
4 Act is amended—

5 (1) in paragraph (2)(C), by inserting after “re-
6 financed” the following: “, plus the costs incurred in
7 connection with the refinancing as described in para-
8 graph (4)(B) to the extent that the amount for those
9 costs is not otherwise included in the interest rate
10 as permitted by subparagraph (E) or paid by the
11 Secretary as authorized by paragraph (4)(B)”;

12 (2) in paragraph (4):

13 (A) by inserting after “otherwise)” the fol-
14 lowing: “and the mortgagee with respect to the
15 amount described in paragraph (A)”;

16 (B) in subparagraph (A), by inserting after
17 “mortgagor” the following: “and the mortga-
18 gee”;

19 (3) by revising paragraph (5) to read as follows:

20 “(5) The Secretary shall use amounts of budget
21 authority recaptured from assistance payments con-
22 tracts relating to mortgages that are being refi-
23 nanced for assistance payments contracts with re-
24 spect to mortgages insured under this subsection.
25 The Secretary may also make such recaptured

1 amounts available for incentives under paragraph
2 (4)(A) and the costs incurred in connection with the
3 refinancing under paragraph (4)(B). For purposes
4 of subsection (c)(3)(A), the amount of recaptured
5 budget authority that the Secretary commits for as-
6 sistance payments contracts relating to mortgages
7 insured under this subsection and for amounts paid
8 under paragraph (4) shall not be construed as ‘un-
9 used.’”.

10 ELIMINATION OF NEW ACTIVITY IN LOW-USE FHA

11 MULTIFAMILY DEVELOPMENT PROGRAMS

12 SEC. 822. (a) Section 207 of the National Housing
13 Act is amended by adding the following new subsection
14 at the end thereof:

15 “(s) Beginning 30 days after the effective date of the
16 Housing Choice and Community Investment Act of 1994,
17 the Secretary may not accept new applications for mort-
18 gage insurance under this section with respect to mort-
19 gages involving (1) the new construction or substantial re-
20 habilitation of properties or projects or (2) manufactured
21 home parks.”.

22 (b) Section 220 of such Act is amended by adding
23 the following new subsection at the end thereof:

24 “(i) Beginning 30 days after the effective date of the
25 Housing Choice and Community Investment Act of 1994,
26 the Secretary may not accept new applications for mort-

1 gage insurance under this section with respect to mort-
2 gages involving the new construction or substantial reha-
3 bilitation of multifamily projects.”.

4 (c) Section 231(b) of the such Act is amended by add-
5 ing the following new sentence at the end thereof: “Begin-
6 ning 30 days after the effective date of the Housing Choice
7 and Community Investment Act of 1994, the Secretary
8 may not accept new applications for mortgage insurance
9 under this section.”.

10 (d) Section 234(d) of such Act is amended by adding
11 the following new flush material at the end thereof:
12 “Beginning 30 days after the effective date of the Housing
13 Choice and Community Investment Act of 1994, the Sec-
14 retary may not accept new applications for mortgage in-
15 surance under this subsection.”.

16 (e) Section 1101 of such Act is amended by adding
17 the following new sentence at the end thereof: “Beginning
18 30 days after the effective date of the Housing Choice and
19 Community Investment Act of 1994, the Secretary may
20 not accept new applications for mortgage insurance under
21 this title.”.

22 INDEMNIFICATION FOR PROJECT MANAGERS

23 SEC. 823. Section 207(l) of the National Housing Act
24 is amended by inserting the following before the period:
25 “: *Provided further*, That, for properties acquired by the
26 Secretary under this section and for properties secured by

1 any mortgage assigned and transferred to or held by the
2 Secretary, the Secretary may indemnify management con-
3 tractors against claims by third persons for death, bodily
4 injury, or loss of or damage to property on such terms
5 as the Secretary determines appropriate”.

6 Subtitle D—Office of Community Planning and
7 Development Management Information Systems

8 SEC. 831. MANAGEMENT INFORMATION SYSTEMS.—
9 Section 103 of the Housing and Community Development
10 Act of 1974 is amended—

11 (1) by inserting the subsection designation
12 “(a)” immediately after “103”; and

13 (2) by adding the following new subsection at
14 the end thereof:

15 “(b) Of the amount approved in an appropriation Act
16 for each of fiscal years 1995 and 1996 under this section,
17 up to 0.5 percent may be set aside by the Secretary for
18 improving management information systems used by the
19 Secretary and recipients under this title.”.

20 CDBG REALLOCATIONS

21 SEC. 832. Section 106(c) of the Housing and Com-
22 munity Development Act of 1974 is amended by striking
23 paragraph (4).

24 USE OF UDAG RECAPTURES

25 SEC. 833. Section 119(o) of the Housing and Com-
26 munity Development Act of 1974 is amended by striking

1 “October 1, 1993” and inserting in lieu thereof “April 11,
2 1994”.

3 Subtitle E—Nonjudicial Foreclosure of Defaulted Single
4 Family Mortgages

5 SEC. 841. SHORT TITLE.—This subtitle may be cited
6 as the “Single Family Mortgage Foreclosure Act of
7 1994”.

8 SEC. 842. FINDINGS AND PURPOSE.—(a) FIND-
9 INGS.—The Congress finds that—

10 (1) disparate State laws under which mortgages
11 are foreclosed on behalf of the Secretary of Housing
12 and Urban Development covering one- to four-family
13 residential properties burden certain programs ad-
14 ministered by the Secretary, increase the costs of
15 collecting these obligations, and cause detriment to
16 the community generally;

17 (2) long periods to complete the foreclosure of
18 these mortgages under certain State laws lead to de-
19 terioration in the condition of the properties in-
20 volved; necessitate substantial Federal holding ex-
21 penditures; increase the risk of vandalism, fire loss,
22 depreciation, damage, and waste with respect to the
23 properties; and adversely affect the neighborhoods in
24 which the properties are located;

1 (3) these conditions seriously impair the Sec-
2 retary's ability to protect the Federal financial inter-
3 est in the affected properties and frustrate attain-
4 ment of the objectives of the underlying Federal pro-
5 gram authority;

6 (4) the availability of a uniform and more expe-
7 ditious procedures, with no right of redemption in
8 the mortgagor or others, for the foreclosure of these
9 mortgages by the Secretary will tend to ameliorate
10 these conditions; and

11 (5) providing the Secretary with a nonjudicial
12 foreclosure procedure will reduce unnecessary litiga-
13 tion by removing many foreclosures from the courts
14 where they contribute to overcrowded calendars.

15 (b) PURPOSE.—The purpose of this subtitle is to cre-
16 ate a uniform Federal foreclosure remedy for single family
17 mortgages that (1) are held by the Secretary of Housing
18 and Urban Development pursuant to title I or title II of
19 the National Housing Act or (2) secure loans obligated
20 by the Secretary under section 312 of the Housing Act
21 of 1964.

22 SEC. 843. DEFINITIONS.—As used in this subtitle—

23 (1) “bona fide purchaser” means a purchaser
24 for value in good faith and without notice of any ad-

1 verse claim, who will, therefore, acquire the security
2 property free of any adverse claim;

3 (2) “mortgage” means a deed of trust, mort-
4 gage, deed to secure debt, security agreement, or
5 any other form of instrument under which any inter-
6 est in property, real, personal or mixed, or any inter-
7 est in property including leaseholds, life estates, re-
8 versionary interests, and any other estates under ap-
9 plicable State law, is conveyed in trust, mortgaged,
10 encumbered, pledged, or otherwise rendered subject
11 to a lien for the purpose of securing the payment of
12 money or the performance of an obligation;

13 (3) “single family mortgage” means a mortgage
14 that covers property on which there is located a one-
15 to four-family residence, which mortgage—

16 (A) is held by the Secretary pursuant to
17 title I or title II of the National Housing Act,
18 or

19 (B) secures a loan obligated by the Sec-
20 retary under section 312 of the Housing Act of
21 1964, as it existed before its repeal by section
22 289 of the Cranston-Gonzalez National Afford-
23 able Housing Act (except that a mortgage se-
24 curing such a loan that covers property contain-

1 ing non-residential space and a one- to four-
2 family dwelling shall not be subject to this Act);

3 (4) “mortgage agreement” means the note or
4 debt instrument and the mortgage instrument, deed
5 of trust instrument, trust deed, or instrument or in-
6 struments creating the mortgage, including any in-
7 strument incorporated by reference therein and any
8 instrument or agreement amending or modifying any
9 of the foregoing;

10 (5) “mortgagor” means the obliger, grantor, or
11 trust named in the mortgage agreement and, unless
12 the context otherwise indicates, includes the current
13 owner of record of the security property whether or
14 not personally liable on the mortgage debt;

15 (6) “owner” means any person who has an
16 ownership interest in property and includes heirs,
17 devises, executors, administrators, and other per-
18 sonal representatives, and trustees of testamentary
19 trusts if the owner of record is deceased;

20 (7) “person” includes any individual, group of
21 individuals, association, partnership, corporation, or
22 organization;

23 (8) “record” and “recorded” include “register”
24 and “registered” in the instance of registered land;

1 (9) “security property” means the property
2 (real, personal or mixed) or an interest in property
3 (including leaseholds, life estates, reversionary inter-
4 ests, and any other estates under applicable State
5 law), together with fixtures and other interests sub-
6 ject to the lien of the mortgage under applicable
7 State law;

8 (10) “State” means the several States, the Dis-
9 trict of Columbia, the Commonwealth of Puerto
10 Rico, the United States Virgin Islands, Guam,
11 American Samoa, the Northern Mariana Islands, the
12 Trust Territory of the Pacific Islands, and Indian
13 tribes as defined by the Secretary;

14 (11) “county” means county as defined in title
15 2 of title I, United States Code; and

16 (12) “Secretary” means the Secretary of Hous-
17 ing and Urban Development.

18 SEC. 844. APPLICABILITY.—Single family mortgages
19 encumbering real estate located in any State may be fore-
20 closed by the Secretary in accordance with this subtitle,
21 or pursuant to other foreclosure procedures available, at
22 the option of the Secretary.

23 SEC. 845. DESIGNATION OF FORECLOSURE COMMIS-
24 SIONER.—A foreclosure commissioner or commissioners
25 designated pursuant to this subtitle shall have a

1 nonjudicial power of sale as provided in this subtitle.
2 Where the Secretary wishes to foreclose upon a single fam-
3 ily mortgage, the Secretary may designate a foreclosure
4 commissioner and, with or without cause, may designate
5 a substitute foreclosure commissioner to replace a pre-
6 viously designated foreclosure commissioner, by executing
7 a duly acknowledged, written designation stating the name
8 and business or residential address of the commissioner
9 or substitute commissioner. The designation shall be effec-
10 tive upon execution. The foreclosure commissioner, if a
11 natural person, shall be a resident of the State in which
12 the security property is located and, if not a natural per-
13 son, the foreclosure commissioner must be duly authorized
14 to transact business under laws of the State in which the
15 security property is located. The foreclosure commissioner
16 shall be a person who is responsible, financially sound, and
17 competent to conduct the foreclosure. More than one fore-
18 closure commissioner may be designated. If a natural per-
19 son is designated as foreclosure commissioner or sub-
20 stitute foreclosure commissioner, such person shall be des-
21 ignated by name, except that where such person is des-
22 ignated in his or her capacity as an official or employee
23 of a government or corporate entity, such person may be
24 designated by his or her unique title or position instead
25 of by name.

1 SEC. 846. PREREQUISITES TO FORECLOSURE.—
2 Foreclosure by the Secretary under this subtitle of a single
3 family mortgage may be commenced, as provided in sec-
4 tion 848, upon the breach of a covenant or condition in
5 the mortgage agreement for which foreclosure is author-
6 ized under the mortgage, except that no such foreclosure
7 may be commenced unless any previously pending proceed-
8 ing, judicial or nonjudicial, separately instituted by the
9 Secretary to foreclose the mortgage other than under this
10 subtitle has been withdrawn, dismissed, or otherwise ter-
11 minated. No such separately instituted foreclosure pro-
12 ceeding on the mortgage shall be instituted by the Sec-
13 retary during the pendency of foreclosure pursuant to this
14 subtitle. Nothing in this subtitle shall preclude the Sec-
15 retary from enforcing any right, other than foreclosure,
16 under applicable Federal or State law, including any right
17 to obtain a monetary judgment. Nothing in this subtitle
18 shall preclude the Secretary from foreclosing under this
19 subtitle where the Secretary has obtained or is seeking any
20 other remedy available pursuant to Federal or State law
21 or under the mortgage agreement, including, but not lim-
22 ited to, the appointment of a receiver, mortgage-in-posses-
23 sion status, or relief under an assignment of rents.

24 SEC. 847. NOTICE OF FORECLOSURE SALE.—The
25 notice of foreclosure sale to be served in accordance with

1 this subtitle shall be subscribed with the name and address
2 of the foreclosure commissioner and the date on which
3 subscribed, and shall set forth the following information:

4 (1) The names of the Secretary, the original
5 mortgagee (if other than the Secretary), and the
6 original mortgagor.

7 (2) The street address or a description of the
8 location of the security property, and a description
9 of the security property, sufficient to identify the
10 property to be sold.

11 (3) The date of the mortgage, the office is
12 which the mortgage is recorded, and the liber and
13 folio or other description of the location of recorda-
14 tion of the mortgage.

15 (4) The failure to make payment, including the
16 due date of the earliest installment payment remain-
17 ing wholly unpaid as of the date the notice is sub-
18 scribed, or the description of other default or de-
19 faults upon which foreclosure is based, and the ac-
20 celeration of the secured indebtedness.

21 (5) The date, time, and place of the foreclosure
22 sale;

23 (6) A statement that the foreclosure is being
24 conducted pursuant to this subtitle.

1 (7) The types of costs, if any, to be paid by the
2 purchaser upon transfer of title.

3 (8) The amount and method of deposit to be re-
4 quired at the foreclosure sale (except that no deposit
5 shall be required of the Secretary), the time and
6 method of payment of the balance of the foreclosure
7 purchase price, and other appropriate terms of sale.

8 SEC. 848. COMMENCEMENT OF FORECLOSURE.—(a)
9 If the Secretary as holder of a single family mortgage de-
10 termines that the prerequisites to foreclosure set forth in
11 section 846 are satisfied, the Secretary may request the
12 foreclosure commissioner to commence foreclosure of a
13 single family mortgage. Upon such request, the foreclosure
14 commissioner shall commence foreclosure of the mortgage,
15 by commencing service of a notice of default and fore-
16 closure sale in accordance with section 849.

17 (b) After commencement of a foreclosure under this
18 subtitle, the Secretary may designate a substitute fore-
19 closure commissioner at any time before the time of fore-
20 closure sale, and the foreclosure shall continue without
21 prejudice, unless the substitute commissioner, in his or her
22 sole discretion, finds that continuation of the foreclosure
23 sale will unfairly affect the interests of the mortgagor. If
24 the substitute commissioner makes such a finding, the
25 substitute commissioner shall cancel the foreclosure sale,

1 or adjourn such sale in the manner provided in section
2 851(c). Upon designation of a substitute foreclosure com-
3 missioner, a copy of the written notice of such designation
4 referred to in section 845 shall be served (1) by mail, as
5 provided in such section 849 (except that the minimum
6 time periods between mailing and the date of foreclosure
7 sale prescribed in such section shall not apply), or (2) in
8 any other manner which, in the substitute commissioner's
9 sole discretion, is conducive to achieving timely notice of
10 such substitution.

11 SEC. 849. SERVICE OF NOTICE OF FORECLOSURE
12 SALE.—The foreclosure commissioner shall serve the no-
13 tice of foreclosure sale provided for in section 847 upon
14 the following persons and in the following manner, and
15 no additional notice shall be required to be served, not-
16 withstanding any notice requirements of any State or local
17 law:

18 (1) TIMING.—At least 21 days prior to the date
19 of the foreclosure sale, the notice of foreclosure sale
20 required by section 848 of this subtitle shall be filed
21 in the manner authorized for filing a notice of an ac-
22 tion concerning real property according to the law of
23 the State where the security property is located or,
24 if none, in the manner authorized by section 3201
25 of title 28, United States Code.

1 (2) NOTICE BY MAIL.—The notice of fore-
2 closure sale shall be sent by certified or registered
3 mail, postage prepaid and return receipt requested
4 to the following:

5 (A) The current security property owner of
6 record, as the record exists 45 days before the
7 date originally set for foreclosure sale, whether
8 or not the notice describes a sale adjourned as
9 provided in this subtitle.

10 (B) All mortgagors of record or other per-
11 sons who appear of record or in the mortgage
12 agreement to be liable for part or all of the
13 mortgage debt, as the record exists 45 days be-
14 fore the date originally set for foreclosure sale,
15 whether or not the notice describes a sale ad-
16 journd as provided in this subtitle, except any
17 such mortgagors or persons who have been re-
18 leased.

19 (C) All dwelling units in the security prop-
20 erty, whether or not the notice describes a sale
21 adjourned as provided in this subtitle.

22 (D) All persons holding liens of record
23 upon the security property, as the record exists
24 45 days before the date originally set for fore-

1 closure sale, whether or not the notice describes
2 a sale adjourned as provided in this subtitle.

3 Notice under clauses (A) and (B) of this paragraph
4 shall be mailed at least 21 days before the date of
5 foreclosure sale, and shall be mailed to the owner or
6 mortgagor at the last known address of the owner
7 or mortgagor, or, if none, to the address of the secu-
8 rity property, or, at the discretion of the foreclosure
9 commissioner, to any other address believed to be
10 that of such owner or mortgagor. Notice under
11 clause (C) of this paragraph shall be mailed at least
12 21 days before the date of foreclosure sale. If the
13 names of the occupants of the security property are
14 not known to the Secretary, or the security property
15 has more than one dwelling, the notice shall be post-
16 ed at the security property at least 21 days prior to
17 the foreclosure sale. Notice under clause (D) of this
18 paragraph shall be mailed at least 21 days before
19 the date of foreclosure sale, and shall be mailed to
20 each such lienholder's address as stated of record or,
21 at the discretion of the foreclosure commissioner, to
22 any other address believed to be that of such
23 lienholder. Notice by mail pursuant to this sub-
24 section or section 848(b) shall be deemed duly given
25 upon mailing, whether or not received by the ad-

1 dressee and whether or not a return receipt is re-
2 ceived or the letter is returned.

3 (3) PUBLICATION.—A copy of the notice of de-
4 fault and foreclosure sale shall be published, as pro-
5 vided herein, once a week during three successive
6 calendar weeks before the sale date. Such publica-
7 tion shall be in a newspaper or newspapers having
8 general circulation in the county or counties in
9 which the security property being sold is located. To
10 the extent practicable, the newspaper or newspapers
11 chosen shall be a newspaper or newspapers, if any
12 is available, having circulation conducive to achiev-
13 ing notice of foreclosure by publication. A legal
14 newspaper that is accepted as a newspaper of legal
15 record in the county or counties in which the secu-
16 rity property being sold is located shall be considered
17 a newspaper having general circulation for the pur-
18 poses of this paragraph. Should there be no news-
19 paper published at least weekly which has a general
20 circulation in one of the counties in which the secu-
21 rity property being sold is located, copies of the no-
22 tice of default and foreclosure sale shall be posted at
23 the courthouse of any county or counties in which
24 the security property is located and at the place

1 where the sale is to be held at least 21 days before
2 the date of sale.

3 SEC. 850. PRESALE REINSTATEMENT.—(a) Except
4 as provided in sections 848(b) and 851(c), the foreclosure
5 commissioner shall withdraw the security property from
6 foreclosure and cancel the foreclosure sale only if—

7 (1) the Secretary so directs the commissioner
8 prior to or at the time of sale;

9 (2) the commissioner finds, upon application of
10 the mortgagor at least 3 days before the date of
11 sale, that the default or defaults upon which the
12 foreclosure is based did not exist at the time of serv-
13 ice of the notice of default and foreclosure sale; or

14 (3)(A) in the case of a foreclosure involving a
15 monetary default, there is tendered to the fore-
16 closure commissioner before public auction is com-
17 pleted the entire amount of principal and interest
18 which would be due if payments under the mortgage
19 had not been accelerated;

20 (B) in the case of a foreclosure involving a
21 nonmonetary default, the foreclosure commissioner,
22 upon application of the mortgagor before the date of
23 foreclosure sale, finds that such default is cured; and

24 (C) there is tendered to the foreclosure commis-
25 sioner before public auction is completed all amounts

1 due under the mortgage agreement (excluding addi-
2 tional amounts which would have been due if mort-
3 gage payments had been accelerated), all amounts of
4 expenditures secured by the mortgage, and all costs
5 of foreclosure incurred for which payment from the
6 proceeds of foreclosure is provided in section 852,
7 except that the Secretary shall have discretion to
8 refuse to cancel a foreclosure pursuant to this para-
9 graph if the current mortgagor or owner of record
10 has on one or more previous occasions caused a fore-
11 closure of the mortgage, commenced pursuant to
12 this subtitle or otherwise, to be canceled by curing
13 a default.

14 (b) Before withdrawing the security property from
15 foreclosure in the circumstances described in subsection
16 (a)(2) or (a)(3), the foreclosure commissioner shall afford
17 the Secretary a reasonable opportunity to demonstrate
18 why the security property should not be so withdrawn.

19 (c) In any case in which a foreclosure commenced
20 under this subtitle is canceled, the mortgage shall continue
21 in effect as though acceleration had not occurred.

22 (d) If the foreclosure commissioner cancels a fore-
23 closure sale under this subtitle a new foreclosure may be
24 subsequently commenced as provided in this subtitle.

1 (e) The foreclosure commissioner shall file a notice
2 of cancellation in the same place and manner provided for
3 filing the notice of foreclosure sale in section 849.

4 SEC. 851. CONDUCT OF SALE; ADJOURNMENT.—(a)
5 Foreclosure sale pursuant to this subtitle shall be at public
6 auction, and shall be scheduled to begin between the hours
7 of 9 o'clock ante meridiem and 4 o'clock post meridiem
8 local time. The foreclosure sale shall be held at a location
9 specified in the notice of default and foreclosure sale,
10 which shall be a location where foreclosure real estate auc-
11 tions are customarily held in the county or one of the
12 counties in which the property to be sold is located, or
13 at a courthouse therein, or at or on the property to be
14 sold. Sale of security property situated in two or more
15 counties may be held in any one of the counties in which
16 any part of the security property is situated. The fore-
17 closure commissioner may designate the order in which
18 multiple tracts of security are sold.

19 (b) The foreclosure commissioner shall conduct the
20 foreclosure sale in accordance with the provisions of this
21 subtitle and in a manner fair to both the mortgagor and
22 the Secretary. Written one-price sealed bids shall be ac-
23 cepted by the foreclosure commissioner from the Secretary
24 and other persons for entry by announcement by the com-
25 missioner at the sale. The Secretary and any other person

1 may bid at the foreclosure sale, including the Secretary
2 or any other person who has submitted a written one-price
3 bid. The foreclosure commissioner or any relative, related
4 business entity, or employee of such commissioner or en-
5 tity shall not be permitted to bid in any manner on the
6 security property subject to foreclosure sale, except that
7 the foreclosure commissioner or an auctioneer may be di-
8 rected by the Secretary to enter a bid on the Secretary's
9 behalf. The foreclosure commissioner may serve as auc-
10 tioneer, or, in accordance with regulations of the Sec-
11 retary, may employ an auctioneer to be paid from the com-
12 mission provided for in section 852(5).

13 (c) The foreclosure commissioner shall have discre-
14 tion, prior to or at the time of sale to adjourn or cancel
15 the foreclosure sale if the commissioner determines, in the
16 commissioner's discretion, that circumstances are not con-
17 ducive to a sale which is fair to the mortgagor and the
18 Secretary or that additional time is necessary to determine
19 whether the security property should be withdrawn from
20 foreclosure as provided in section 850. The foreclosure
21 commissioner may adjourn a sale to a later hour the same
22 day by announcing or posting the new time and place of
23 the foreclosure sale, or may adjourn the foreclosure sale
24 for not less than 9 nor more than 31 days, in which case
25 the commissioner shall serve a notice of default and fore-

1 closure sale revised to recite that the foreclosure sale has
2 been adjourned to a specified date and to include any cor-
3 rections the foreclosure commissioner deems appropriate.
4 Such notice shall be served by publication and mailing in
5 accordance with section 849, except that publication may
6 be made on any of 3 separate days before the revised date
7 of foreclosure sale, and mailing may be made at any time
8 at least 7 days before the date to which the foreclosure
9 sale has been adjourned.

10 (d) The foreclosure commissioner may require a bid-
11 der to make a cash deposit in an amount or percentage
12 set by him and stated in the notice of foreclosure sale be-
13 fore the bid is accepted. A successful bidder at the fore-
14 closure sale who fails to comply with the terms of the sale
15 may be required to forfeit the cash deposit or, at the elec-
16 tion of the foreclosure commissioner after consultation
17 with the Secretary, shall be liable to the agency incurred
18 by the agency as a result of such failure.

19 (e) Any foreclosure sale held in accordance with this
20 subtitle shall be conclusively presumed to have been con-
21 ducted in a legal, fair, and reasonable manner. The sale
22 price shall be conclusively presumed to be reasonable and
23 equal to the fair market value of the property.

1 SEC. 852. FORECLOSURE COSTS.—The following
2 foreclosure costs shall be paid from the sale proceeds be-
3 fore satisfaction of any other claim to such sale proceeds:

4 (1) Necessary advertising costs and postage in-
5 curred in giving notice pursuant to sections 849 and
6 851.

7 (2) Mileage for posting notices and for the fore-
8 closure commissioner's or auctioneer's attendance at
9 the sale as provided in section 1921 of title 28,
10 United States Code, for mileage by the most reason-
11 able road distance.

12 (3) Reasonable and necessary costs actually in-
13 curred in connection with any necessary search of
14 title and lien records.

15 (4) Necessary out-of-pocket costs incurred by
16 the foreclosure commissioner to record documents.

17 (5) A commission for the foreclosure commis-
18 sioner other than an employee of the United States
19 for the conduct of the foreclosure to the extent au-
20 thorized by the Secretary.

21 SEC. 853. DISPOSITION OF SALE PROCEEDS.—
22 Money realized from a foreclosure sale shall be made avail-
23 able for obligation and expenditure—

24 (1) first, to cover the costs of foreclosure pro-
25 vided for in section 852;

1 (2) then, to pay valid tax liens or assessments
2 if required by the notice of foreclosure sale;

3 (3) then, to pay any liens recorded before the
4 recording of the mortgage which are required to be
5 paid in conformity with the terms of sale in the no-
6 tice of foreclosure sale;

7 (4) then, to service charges and advancements
8 for taxes, assessments, and property insurance pre-
9 miums;

10 (5) then, to the interest;

11 (6) then, to the principal balance secured by the
12 mortgage (including expenditures for the necessary
13 protection, preservation, and repair of the security
14 property as authorized under the mortgage agree-
15 ment and interest thereon if provided for in the
16 mortgage agreement); and

17 (7) then, to late charges.

18 Any surplus after payment of the foregoing shall be paid
19 to holders of liens recorded after the mortgage in the order
20 of priority under Federal law or the law of the State where
21 the security property is located and then to the appro-
22 priate mortgagor. If the person to whom such surplus is
23 to be paid cannot be located, or if the surplus available
24 is insufficient to pay all claimants and the claimant cannot
25 agree on the allocation of the surplus, or if any person

1 claiming an interest in the mortgage proceeds does not
2 agree that some or all of the sale proceeds should be paid
3 to a claimant as provided in this section, that part of the
4 sale proceeds in question may be deposited by the fore-
5 closure commissioner with an appropriate official or court
6 authorized under law to receive disputed funds in such cir-
7 cumstances. If such a procedure for the deposit of dis-
8 puted funds is not available, and the foreclosure commis-
9 sioner files a bill of interpleader or is sued as a stakeholder
10 to determine entitlement to such funds, the foreclosure
11 commissioner's necessary costs in taking or defending
12 such action shall be deductible from the disputed funds.

13 SEC. 854. TRANSFER OF TITLE AND POSSESSION.—

14 (a) The foreclosure commissioner shall deliver a deed or
15 deeds to the purchaser or purchasers without warranty or
16 covenants to the purchaser or purchasers and obtain the
17 balance of the purchase price in accordance with the terms
18 of sale provided in the notice of default and foreclosure
19 sale. Notwithstanding State law to the contrary, the com-
20 missioner's deed shall be a conveyance of property, and
21 no judicial proceedings shall be required ancillary or sup-
22 plementary to the procedures provided in this subtitle to
23 assure the validity of the conveyance or confirmation of
24 such conveyance.

1 (b) A purchaser at a foreclosure sale held pursuant
2 to this subtitle shall be entitled to possession upon passage
3 of title to the mortgaged property, subject to an interest
4 or interests not barred under section 856. Any person re-
5 maining in possession after the passage of title shall be
6 deemed a tenant at sufferance subject to eviction under
7 local law.

8 (c) If a purchaser dies before execution and delivery
9 of the deed conveying the property to the purchaser, the
10 foreclosure commissioner shall execute and deliver the
11 deed to the representative of the purchaser's estate upon
12 payment of the purchase price in accordance with the
13 terms of sale. Such delivery to the representative of the
14 purchaser's estate shall have the same effect as if accom-
15 plished during the lifetime of the purchaser.

16 (d) The purchaser of property under this subtitle
17 shall be presumed to be a bona fide purchaser without no-
18 tice of defects, if any, in the title conveyed to said pur-
19 chaser if the purchaser would have been considered a bona
20 fide purchaser without notice had the sale been made vol-
21 untarily and in person by the debtor.

22 (e) There shall be no right of redemption, or right
23 of possession based upon right of redemption, in the mort-
24 gage or others subsequent to a foreclosure pursuant to
25 this subtitle. Section 204(l) of the National Housing Act

1 and section 701 of the Department of Housing and Urban
2 Development Reform Act of 1989 shall not apply to mort-
3 gages foreclosed under this subtitle.

4 (f) When conveyance is made to the Secretary, no tax
5 shall be imposed or collected with respect to the fore-
6 closure commissioner's deed, whether as a tax upon the
7 instrument or upon the privilege of conveying or transfer-
8 ring title to the property. Failure to collect or pay a tax
9 of the type and under the circumstances stated in the pre-
10 ceding sentence shall not be grounds for refusing to record
11 such a deed, for failing to recognize such recordation as
12 imparting notice, or for denying the enforcement of such
13 a deed and its provisions in any State or Federal court.

14 SEC. 855. RECORD OF FORECLOSURE AND SALE.—

15 (a) To establish a sufficient record of foreclosure and sale,
16 the foreclosure commissioner shall include in the recitals
17 of the deed to the purchaser or prepare an affidavit or
18 addendum to the deed stating—

19 (1) the date, time and place of sale;

20 (2) that the mortgage was held by the Sec-
21 retary, the date of the mortgage, the office in which
22 the mortgage was recorded, and the liber and folio
23 or other description of the recordation of the mort-
24 gage;

1 (3) the particulars of the foreclosure commis-
2 sioner's service of notice of default and foreclosure
3 sale in accordance with sections 849 and 851;

4 (4) the date and place of filing the notice of
5 foreclosure sale;

6 (5) that the foreclosure was conducted in ac-
7 cordance with the provisions of this subtitle and with
8 the terms of the notice of default and foreclosure
9 sale; and

10 (6) the sale amount.

11 (b) The statements set forth in subsection (a) shall
12 be prima facie evidence of the truth of such recitals and
13 statement of facts in any Federal or State court; and shall
14 be a conclusive presumption in favor of bona fide pur-
15 chasers and encumbrancers for value without notice. En-
16 cumbrancers for value include liens placed by lenders who
17 provide the purchaser with purchase money in exchange
18 for a security interest in the newly-conveyed property.

19 (c) The deed executed by the foreclosure commis-
20 sioner, the foreclosure commissioner's affidavit and any
21 other instruments submitted for recordation in relation to
22 the foreclosure of the security property under this subtitle
23 shall be accepted for recordation by the registrar of deeds
24 or other appropriate official of the country or counties in
25 which the security property is located upon tendering of

1 payment of the usual recording fees for such instruments
2 without regard to the compliance of those instruments
3 with local filing requirements.

4 SEC. 856. EFFECT OF SALE.—A sale, made and con-
5 ducted as prescribed in this subtitle to a bona fide pur-
6 chaser, shall be an entire bar of all claims upon, or with
7 respect to, the property sold, of each of the following
8 persons:

9 (1) Any person to whom the notice of fore-
10 closure sale was mailed as provided in this subtitle,
11 and the heir, devisee, executor, administrator, suc-
12 cessor of assignee claiming under any such person.

13 (2) Any person claiming any interest in the
14 property subordinate to that of the mortgage, if such
15 person had actual knowledge of the sale.

16 (3) Each person, claiming any interest in the
17 property, whose assignment, mortgage, or other con-
18 veyance was not duly recorded or filed in the proper
19 place for recording or filing, or whose judgment or
20 decree was not duly docketed or filed in the proper
21 place for docketing or filing, prior to the date on
22 which the notice of sale was first served by publica-
23 tion, as required by section 849(2); and the execu-
24 tor, administrator, or assignee of such a person.

1 (4) Every other person claiming under a statu-
2 tory lien or encumbrance created subsequent to the
3 recording or filing of the mortgage being foreclosed,
4 attaching to the title or interest of any person des-
5 ignated in any of the foregoing subsections of this
6 section.

7 SEC. 857. COMPUTATION OF TIME.—Periods of time
8 provided for in this subtitle shall be calculated in consecu-
9 tive calendar days including the day or days on which the
10 actions or events occur or are to occur for which the period
11 of time is provided and including the day on which an
12 event occurs or is to occur from which the period is to
13 be calculated.

14 SEC. 858. SEPARABILITY.—If any clause, sentence,
15 paragraph, or part of this subtitle shall, for any reason,
16 be adjudged by a court of competent jurisdiction to be in-
17 valid or invalid as applied to a class of cases, such judg-
18 ment shall not affect, impair, or invalidate the remainder
19 thereof and of this subtitle, but shall be confined in its
20 operation to the clause, sentence, paragraph, or part
21 thereof directly involved in the controversy in which such
22 judgment shall have been rendered.

23 SEC. 859. DEFICIENCY JUDGMENT.—(a) IN GEN-
24 ERAL.—If after deducting the disbursements provided for
25 in section 853 of this subtitle, the price at which the secu-

1 rity property is sold at a foreclosure sale is less than the
 2 unpaid balance of the debt secured by the security prop-
 3 erty, resulting in a deficiency, the Secretary may refer the
 4 matter to the Attorney General who may commence an
 5 action or actions against any or all debtors to recover the
 6 deficiency, unless specifically prohibited by the mortgage.
 7 The United States is also entitled to recover any amount
 8 authorized by section 3011 of title 28, United States Code,
 9 and costs of the action.

10 (b) LIMITATION.—Any action commenced to recover
 11 the deficiency must be brought within 6 years of the last
 12 sale of the security property.

13 TITLE IX—MISCELLANEOUS AMENDMENTS

14 OFHEO ASSESSMENT COLLECTION DATES

15 SEC. 901. Section 1316(b) of the Housing and Com-
 16 munity Development Act of 1992 is amended by striking
 17 out paragraph (2) and inserting in lieu thereof the follow-
 18 ing:

19 “(2) TIMING OF PAYMENT.—The annual assess-
 20 ment shall be payable semiannually for each fiscal
 21 year, on October 1st and April 1st.”.

22 LEAD-BASED PAINT TECHNICAL ASSISTANCE

23 AMENDMENTS

24 SEC. 902. (a) Section 1011(g) of the Residential
 25 Lead-Based Paint Hazard Reduction Act of 1992 is
 26 amended—

1 (1) in paragraph (1)—

2 (A) first sentence, by inserting immediately
3 before the period a comma and “by providing
4 technical assistance, either directly, or indirectly
5 under contracts or otherwise”; and

6 (B) by striking out the second sentence;
7 and

8 (2) by striking out paragraph (2) and inserting
9 in lieu thereof the following:

10 “(2) SET-ASIDE.—Of the total amount ap-
11 proved in appropriation Acts under subsection (p),
12 there shall be set aside to carry out this subsection
13 \$5,000,000 for fiscal year 1995 and \$5,000,000 for
14 fiscal year 1996.”.

15 (b) Section 1052 of such Act is amended by inserting
16 immediately after “other Federal agencies,” the following:
17 “either directly, or indirectly under contract or other-
18 wise,”.

19 (c) Strike out section 1053 of such Act, and insert
20 in lieu thereof the following:

21 **“SEC. 1053. OTHER RESEARCH AND ASSISTANCE ACTIVI-**
22 **TIES.**

23 “The Secretary is authorized to use funding that may
24 be available to carry out this part to undertake, either di-
25 rectly, or indirectly under contract or otherwise, pursuant

1 to title V, Housing and Urban Development Act of 1970
 2 (12 U.S.C. 1701z-1), such studies, tests (including but
 3 not limited to pilot tests of new or revised programs), eval-
 4 uations, demonstrations, education of the public, and
 5 preparation of training materials, as are consistent with
 6 the purposes of this Act.

7 **“SEC. 1054. AUTHORIZATION.**

8 “Of the total amount approved in appropriation Acts
 9 under section 1011(p), there shall be set aside to carry
 10 out this part \$10,000,000 for fiscal year 1995 and
 11 \$10,000,000 for fiscal year 1996.”.

12 LEAD-BASED PAINT TARGET HOUSING HAZARD
 13 REDUCTION PROGRAM

14 SEC. 903. Section 1011(p) of the Residential Lead-
 15 Based Paint Hazard Reduction Act of 1992 is amended
 16 to read as follows:

17 “(p) AUTHORIZATION OF APPROPRIATIONS.—For the
 18 purposes of carrying out this Act, there are authorized to
 19 be appropriated \$100,000,000 for fiscal year 1995 and
 20 \$100,000,000 for fiscal year 1996.”.

21 HUD RESEARCH AND DEVELOPMENT

22 SEC. 904. The second sentence of section 501 of the
 23 Housing and Urban Development Act of 1970 (12 U.S.C.
 24 1701z-1) is amended to read as follows: “There are au-
 25 thorized to be appropriated to carry out this title

1 \$40,000,000 for fiscal year 1995 and \$40,000,000 for fis-
 2 cal year 1996.”.

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